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Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1 July 1996-30 June 1997

General Assembly
Official Records • Fifty-second Session
Supplement No. 13 (A/52/13)

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LETTER OF TRANSMITTAL

14 October 1997

Sir,

I have the honour to submit to the General Assembly my annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for the period 1 July 1996 to 30 June 1997, in compliance with the request contained in paragraph 21 of resolution 302 (IV) of 8 December 1949 and with paragraph 8 of resolution 1315 (XIII) of 12 December 1958.

External events and internal constraints, in particular the financial crisis, continued to affect Agency operations during the year under review. Its return to the area of operations allowed the Agency to establish closer relations with its beneficiary group and official interlocutors.

In the introduction in chapter I, I have presented a summary of developments in the context of UNRWA operations in Jordan, Lebanon, the Syrian Arab Republic and the West Bank and the Gaza Strip. I have referred to the effects of UNRWA's financial constraints on Agency programmes, the response of the Palestine refugees to actual and perceived reductions in services and the Agency's efforts at restructuring for improved efficiency.

Chapter II contains information on the Agency's three main programmes in education, health, and relief and social services; on subprogrammes in income generation and job creation; and on the Agency's Peace Implementation Programme, established in 1993 in the context of the peace process.

Chapter III is on financial matters, with special reference to the budget, income and expenditure. The Agency's financial crisis is dealt with in detail, including UNRWA's efforts to expand its donor base and reduce expenditures.

Chapter IV deals with legal matters, in particular those concerning staff, services and premises, as well as constraints facing Agency operations in the West Bank and Gaza Strip.

Chapter V refers to Agency activities and operations in Jordan; chapter VI deals with Lebanon and chapter VII with the Syrian Arab Republic. Chapter VIII relates to the West Bank and chapter IX to the Gaza Strip.

The annexes provide statistical and financial information related to the work of UNRWA and references to pertinent records of the General Assembly and other United Nations bodies.

Following established practice, the report in draft form was distributed to the ten members of UNRWA's Advisory Commission in advance, and relevant comments and observations were given careful consideration. The draft report was discussed with the Commission at a meeting held at Amman on 14 October 1997. The Commission's views are contained in a letter addressed to me, from the Chairman of the Advisory Commission. A copy of the letter follows.

President of the General Assembly
United Nations
New York

I have maintained the practice of showing my report in draft form to representatives of the Government of Israel and giving due consideration to their comments, both in the context of the situation prevailing in the West Bank and the Gaza Strip since 1967 and subsequent developments. In connection with the General Assembly's decision in 1993 that the Advisory Commission establish a working relationship with the Palestine Liberation Organization, a representative of the PLO attended the meeting of the Advisory Commission on 14 October 1997 and a copy of the draft report was also shared with her.

Accept, Sir, the assurances of my highest consideration.

(Signed) Peter HANSEN
Commissioner-General

LETTER DATED 14 OCTOBER 1997 FROM THE CHAIRMAN OF THE ADVISORY COMMISSION OF THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST ADDRESSED TO THE COMMISSIONER-GENERAL

Dear Commissioner-General,

At its regular meeting on 14 October 1997, the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East considered your draft annual report on the Agency's activities and operations during the period 1 July 1996 to 30 June 1997, which is to be submitted to the General Assembly at its fifty-second session.

The Advisory Commission expressed great appreciation for UNRWA's programmes of assistance for 3.4 million Palestine refugees in Jordan, Lebanon and the Syrian Arab Republic and the Gaza Strip and the West Bank, which play an invaluable role in providing for the welfare of the refugees and enhancing socio-economic conditions in refugee communities.

The Advisory Commission considered as exceedingly grave the Agency's worsening financial situation and the consequent austerity measures which affected the quality and level of some services in the health sector. The Commission understood the limited options available to the Agency to further reduce expenditure and expressed the hope that ways and means could be found to place UNRWA on a sound financial footing.

While the measures announced by UNRWA in August 1997 were outside the period covered by the report, and despite the fact that some of those measures were rescinded, the Advisory Commission nonetheless wished to place on record its position that given the present state of affairs in the region, to the extent possible any action which would negatively affect the well-being of the Palestine refugees should be avoided.

In that connection, the members of the Advisory Commission expressed appreciation for the generosity of those donors whose additional pledges and contributions towards the Agency's 1997 regular budget had allowed you to revoke some of those measures and to meet commitments through the remainder of the calendar year. In the same context, the Commission took note of the other measures which remained in force, such as the 15 per cent reduction in international staff, and encouraged the Agency to intensify its efforts in finding ways and means to improve programmes and administrative efficiency.

The Advisory Commission repeated its concern, expressed in previous years, over the continuing shortfall between the income needed to achieve programme objectives and the funds actually made available. In that connection, the Commission hoped that joint efforts would be undertaken to ensure that UNRWA would be able to maintain its current level of services to refugees, including the provision of necessary resources by the international community at large for the Agency's 1998-1999 biennial budget.

Mr. Peter Hansen
Commissioner-General
United Nations Relief and Works
Agency for Palestine Refugees
in the Near East

The members of the Commission noted the worsening daily lives of Palestine refugees in the Gaza Strip, the West Bank and Lebanon, where the Agency's ability to provide additional assistance to the refugees was constrained by lack of funds. The Commission thanked those donors who had responded to your special appeal for Palestine refugees in Lebanon and wished to encourage those who had the means to do so to also respond generously to the Agency's regular and extrabudgetary requirements.

In particular, the Commission appealed to the international community to back with contributions their political support for Palestine refugees and for the stability of the region and the peace process. It hoped that at the pledging conference for UNRWA activities, to be held at United Nations Headquarters later this year, new donors would make first-time pledges and others would increase theirs. The Commission called upon those who owed funds to the Agency to make payments promptly, both to ease the Agency's cash flow situation and to allow UNRWA to meet its obligations.

The Commission commended your efforts to expand the traditional donor base of UNRWA through reaching out to potential donors and exploring possibilities in the private sector, and encouraged the General Assembly to support those efforts more actively. It recognized that the financial, political and moral support of the international community was deemed essential by the Palestine refugees, who perceived any reduction in funding and services as a diminution of that support.

Regarding constraints on Agency operations referred to in your report, the Commission called upon the Israeli authorities to do their part to ensure that Agency operations proceeded unhampered.

The Advisory Commission noted with approval the close cooperation and partnership between the Agency, the donors and the host authorities and expressed appreciation to the latter for the services provided to the refugees. The partnership approach, improved budget process, open and frank dialogue and positive attitude to problems which you have introduced or responded to are appreciated. Taking into consideration the crucial importance of UNRWA, the Advisory Commission stands ready to further strengthen its collaboration with you.

In conclusion, the Advisory Commission expressed its full support for your leadership of the Agency during a critical period, during which you completed the move of headquarters back to the area of operations and faced the problem of recruitment and training of new staff and difficulties associated with geographical, political and financial factors.

The successful functioning of the Agency, under your able guidance and experienced leadership, was considered vital, with the refugees facing severe socio-economic hardship and uncertainty about the future in view of difficulties inherent in the Middle East peace process. Not least important in this endeavour are the Agency staff who have always shown their exemplary sense of duty in serving Palestine refugees in increasingly difficult circumstances.

(Signed) Ethem TOKDEMIR
Chairman of the
Advisory Commission

I. INTRODUCTION

1. The period from 1 July 1996 to 30 June 1997 was a time of considerable challenge and transition for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). While the Agency was able to maintain basic services for Palestine refugees and contribute to improving socio-economic conditions within refugee communities, the severe financial crisis besetting the Agency continued to permeate every aspect of its work. This had an increasingly serious negative impact on programmes of assistance to refugees, with potentially dire repercussions. Managing within the limited resources available and seeking a solution to the continuing financial crisis were major preoccupations of the Agency during the period under review. The regional environment in which the Agency worked was characterized by a deterioration in the peace process and a marked increase in violence affecting Israel and the occupied territory. In that context, Agency operations in the West Bank and Gaza Strip continued to face constraints arising from measures imposed by the Israeli authorities invoking security-related considerations. Despite the difficult circumstances, the Agency worked to restore its headquarters to full operating capacity within the area of operations, following completion of the move from Vienna in July 1996, and embarked on a management review aimed at improving efficiency and effectiveness.

2. Through its regular programmes, UNRWA continued to provide education, health care, relief assistance and social services to the 3.4 million Palestine refugees registered with the Agency in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. Agency services included elementary and preparatory schooling; vocational and technical training; comprehensive primary health care, including family health; assistance towards hospitalization; environmental health services in refugee camps; relief assistance to particularly needy households; and developmental social services for women, youths and persons with disabilities. Those services were for the most part provided directly to beneficiaries by the Agency, parallel with local public sector services. In addition, the Agency operated an income-generation programme which provided loans to small-scale businesses and micro-enterprises, and it continued to carry out a wide range of infrastructure projects and other activities through its Peace Implementation Programme. UNRWA was the largest United Nations operation in the Middle East, employing some 22,000 local staff and operating or sponsoring some 900 facilities.

3. The various tracks of the Middle East peace process were subjected to considerable strain during the reporting period, which was marked by a severe downturn in Israeli-Palestinian relations and an increase in clashes and incidents of violence in the West Bank, the Gaza Strip and Israel. Following the opening by the Government of Israel of an entrance to a tunnel in the vicinity of Al-Aqsa mosque in Jerusalem, several days of intense clashes erupted on 25 September 1996 between Israeli forces and Palestinian police and civilians, in which 70 Palestinians and 16 Israelis were killed. The unprecedented exchange of fire between Palestinian police and Israeli forces, which contributed to the high casualty rate, led to the declaration of a state of emergency by the Israeli authorities. A strict closure was imposed on the West Bank and Gaza Strip, accompanied in the West Bank by an internal closure which confined Palestinians to their towns, villages and camps, and by curfews in several localities.

4. Nevertheless, after hostilities had subsided, negotiations resumed between the two sides on the redeployment of Israeli forces in Hebron, which, in

accordance with the Israeli-Palestinian Interim Agreement on the West Bank and Gaza Strip of 28 September 1995, had been due to take place in March 1996. Those negotiations culminated in the Hebron Protocol, signed on 15 January 1997, under which the Palestinian Authority was given civil and security responsibilities over 80 per cent of the city, with the Israeli authorities remaining in control of 20 per cent of the city in which Israeli settlers resided. The subsequent redeployment of forces and transfer of responsibilities in Hebron, and the release of women prisoners by the Israeli authorities in February 1997, raised expectations that the peace process would show progress.

5. Efforts to move the peace process forward were, however, interrupted by the controversy surrounding the start of Israeli construction activity at Jebel Abu Ghneim, between Jerusalem and Bethlehem. After work began on 18 March 1997, clashes broke out between Palestinian demonstrators and Israeli forces. On 21 March 1997, a suicide bombing in Tel Aviv killed three Israelis, the first bombing incident inside Israel in a year. For the next several weeks, the West Bank and Gaza Strip were closed by the Israeli authorities, while clashes and protests continued throughout the West Bank, particularly in Hebron. In all, a total of 93 Palestinians and 23 Israelis were killed in acts of violence during the period 1 July 1996-30 June 1997. Daily life in the self-rule areas continued to be affected by the imposition by the Israeli authorities of security-related measures, including general closures imposed for 111 days on the West Bank and 62 days on the Gaza Strip during the period. Problems relating to capacity-building by the Palestinian Authority, including establishment of the rule of law and development of accountable administrative structures, were also of concern.

6. By mid-1997, the peace process was widely acknowledged to be in deep crisis, and despite signs of cooperation the prevailing atmosphere was one of tension and mistrust. Further redeployments of Israeli forces in the West Bank, as called for in the Interim Agreement, had not taken place. Moreover, after having been formally opened on 5 May 1996, the permanent status negotiations, which were to include the issue of refugees, were repeatedly postponed and still had not commenced in substance by the end of June 1997. In that context, the prospect of a solution to the Palestine refugee problem as foreseen in previous agreements between the parties, and with that the eventual completion of the Agency's mission, appeared increasingly remote. Moreover, the Agency remained concerned at the continuing constraints on its operations in the West Bank and Gaza Strip arising from measures imposed by the Israeli authorities on security grounds, an issue discussed further in chapter IV of the present report.

7. UNRWA's humanitarian work during the reporting period was overshadowed by concern regarding its financial situation, which continued to worsen despite vigorous efforts by the Agency to reduce expenditure and seek new sources of funding. Income continued to fall far short of budgeted needs, necessitating the continuation of previously imposed austerity measures and the introduction of new ones, while preventing the Agency from undertaking certain planned activities. The prospect of financial insolvency necessitated an extraordinary appeal in September 1996 for additional contributions to complete the year without interruption of services. The appeal achieved its purpose thanks to the generous support of donors. Nevertheless, the Agency ended 1996 with a fourth consecutive year-end deficit in its approved budget and depleted cash and working capital reserves. Taking into account the cumulative deficits in certain extrabudgetary accounts, the Agency could also be considered "technically bankrupt" in that it lacked sufficient resources to fulfil all outstanding obligations. The Agency's finances are discussed in greater detail in chapter III.

8. As the Agency had repeatedly pointed out, the steady increase in the refugee population owing to natural growth, inflation and the public-sector quality of UNRWA services, which were made available to all those who met eligibility requirements, created a dynamic which inexorably increased the cost of providing a given level of services over time. Since 1993, the Agency had been struggling to maintain the level of services in the face of roughly constant annual income by implementing a series of cost-reduction measures. Despite painstaking efforts to avoid adjustments to core programme activities, austerity measures were gradually eroding the quality of services, a process felt mainly in increased workloads for programme staff, reductions in expenditure for certain programme activities and weakening of routine operational functions necessary for the optimal implementation of programmes. The cumulative impact of funding shortfalls and austerity measures was illustrated by the 29 per cent drop in average expenditure per refugee over the previous four years, from $110.4 in 1992 to $78.2 in 1996, not taking into account the effects of inflation.

9. It had become abundantly clear that temporary palliative measures could not remedy what was essentially a structural condition. With classrooms so overcrowded as to become unmanageable, with so few doctors on staff as to make possible only cursory examination of patients, with hospitalization having to be periodically suspended owing to lack of funds and with an insufficient number of social workers to provide adequate assistance to the neediest refugees, it was evident that the continuing funding shortfalls and austerity measures would gradually sap Agency programmes of their strength and denude them of their substantive content, a process whose costs would ultimately be paid by the refugee community UNRWA was mandated to serve. Moreover, the state of perpetual financial crisis was pushing the Agency towards a situation in which cost implications would become the exclusive concern in decisions on humanitarian assistance. Such a situation was not at all conducive to the effective functioning of an agency chiefly responsible for providing basic public sector services to a vulnerable, marginalized and impoverished population of over three million persons, particularly given the sensitive and contentious political issues surrounding the refugee issue and the Agency's own work.

10. Hence, the Agency accorded the highest priority to resolving the financial crisis and placing its programmes on a sound financial footing. However, it did not believe that a withdrawal from certain programme activities or a scaling back of activities in part of its area of operations would be an optimal solution to the widening gap between income and needs. Such a move would inevitably contribute to hardship among the refugee population, resulting in an outcry from refugee communities with potentially destabilizing consequences. Refugee communities were already facing severe socio-economic hardships, including high unemployment, reduced purchasing power, inadequate housing and basic infrastructure, and restrictions on economic activity and mobility in certain fields. The deterioration in living standards was exemplified by estimates that real per capita GNP in the West Bank and Gaza Strip had declined an estimated 36.1 per cent between 1992 and 1996.[1] It was also noteworthy that, where appropriate and feasible, refugees already participated in the costs of providing some Agency services by means of voluntary contributions, co-payments, self-help schemes, volunteer efforts and participation fees.

11. In view of the worsening conditions in refugee communities, a reduction in Agency services would not be justifiable on humanitarian grounds, let alone in the political context. On the contrary, the Agency was facing mounting demands from the refugees to do more to improve the quality of services and living conditions both inside and outside of the camps. Moreover, serious concerns

existed among the refugees that the Agency might be phased out before a solution to the Palestine refugee problem was achieved according to relevant United Nations resolutions, a view reinforced by the feeling of many refugees, particularly those in Jordan, Lebanon and the Syrian Arab Republic, that they were being excluded from the full benefits of the peace process. Those concerns were manifested in close scrutiny of the Agency's activities and staunch opposition to any perceived changes in UNRWA policies and programmes which might be interpreted as a first step in closing down the Agency. Despite its best efforts, the Agency was frequently accused in the local media and other forums of not having the refugees' interests at heart or of being implicated in supposed plans for the future of the refugees and the Agency.

12. In that context in particular, a reduction in Agency services would send a negative signal to the refugees and other parties in the region regarding the international community's commitment to the peace process and to the resolution of the refugee problem and would be viewed as a pre-emption of the final status negotiations on the refugee issue. Although UNRWA was not involved in the resolution of the conflict, the Agency - as the symbol of the international community's determination to achieve a solution to the Palestine refugee question - was closely associated with the process and outcome. There was a strong argument to be made that, with the peace process passing through a critical phase, it was precisely the time for a reinvigorated UNRWA which could serve as an element of stability in a period of uncertainty and change. A scaling back of Agency operations at that stage would not appear to do justice to the needs of the Palestine refugees and the long record of humanitarian service which the international community had heretofore made possible.

13. UNRWA was fortunate in enjoying strong support from donors, host authorities, regional bodies and the international community at large. It was unfortunate that that support was not always translated into the tangible assistance required for the Agency to effectively carry out its mission and provide the basic services on which so many refugees depended. The Agency was well aware that many donors were faced with reductions in aid budgets, other global demands, new emergencies and increasing domestic needs, and wished to see an expansion of UNRWA's traditional donor base. At the same time, strong support was frequently expressed by donors for the continuation of UNRWA services, for an enhanced role by the Agency in the interim period of the peace process and for special activities such as the European Gaza Hospital project and the move of Agency headquarters to the Gaza Strip. In many cases, funds were not available for the Agency to carry out activities that had been specifically called for, or for overall priorities.

14. A reduction in Agency services would also add to the heavy responsibilities already shouldered by the host authorities, in some cases for decades, vis-à-vis the Palestine refugees on their soil and negatively affect UNRWA's own responsibilities towards the refugee community, with serious consequences. The host authorities - the Governments of Jordan, Lebanon and the Syrian Arab Republic and the Palestinian Authority/Palestine Liberation Organization - felt strongly that UNRWA should continue to provide services at current levels until the final status talks were concluded and the refugee problem had been resolved. While confronting their own socio-economic problems, they also provided direct assistance to refugees which in some cases exceeded in value the assistance provided by UNRWA.

15. UNRWA therefore found itself caught between conflicting exigencies. On the one hand, funds were not forthcoming for the Agency to continue to provide services as it had in the past. On the other, the needs of the refugees, the

delicate situation in the region and the tradition of the Agency's work over four decades militated against any significant adjustments to Agency programmes. As that dilemma and its implications did not concern UNRWA alone, the Agency advocated a joint approach with shared responsibility as the most effective means of resolving it. In the Agency's view, the way forward lay in a stronger and more effective partnership between all the parties involved in the care of Palestine refugees - UNRWA, the donor countries, the host authorities and the international community at large - with a view to reaching agreement on shared responsibility and the means to achieve financial viability. The Agency repeatedly underlined the partnership theme to interlocutors, in particular at the June 1997 informal meeting of major donors and host Governments, and looked forward to further discussions on the issue.

16. In view of the foregoing considerations, it was highly regrettable that, shortly after the period covered by the present report, the Agency's critical financial situation obliged it to introduce a series of measures which represented a direct reduction in Agency services, despite assiduous efforts to avert such an outcome. Those measures, announced in August 1997 against the backdrop of a $20 million projected deficit for the last quarter of the year, included an immediate recruitment freeze for some 250 new teacher posts needed Agency-wide to cope with rising enrolments; reducing international posts by 15 per cent; cancelling non-emergency hospitalization services in the last two months of 1997, except for special hardship cases; discontinuing regular budget allocations for university scholarships, shelter rehabilitation and emergency cash assistance; and introducing a temporary general recruitment freeze. In addition, the Agency was reviewing charges levied by host authorities for basic education services with a view to adopting similar ones. The initial reaction to those measures was one of vociferous condemnation on the part of the refugee community and host authorities, who stressed the political as well as the humanitarian dimensions of the issue and strongly urged the international community to resolve the Agency's financial difficulties. Protests were held throughout the area of operations. The Agency was grateful for the generous and rapid response of donors, who pledged over $20 million in additional funding for the Agency's regular programmes in 1997, enabling some of the announced measures to be revoked.

17. The period under review - 1 July 1996 to 30 June 1997 - coincided with the first year of UNRWA headquarters' presence in the area of operations, following successful completion of the relocation from Vienna in July 1996 as described in the previous year's report. At the principal headquarters location in Gaza, the initial period after the move was devoted to recruiting local staff to fill vacancies, establishing serviceable communications and computer systems and restoring offices to full working capacity. After the departure of essential staff that had been brought in on short-term assignments to facilitate the relocation, the Gaza headquarters was reduced to some 50 international posts and 100 local posts. The success of the move yielded tangible benefits in terms of closer contact of headquarters with field operations, the refugee community, and host authorities and other interlocutors. It would also produce longer-term savings in the form of lower overall staffing and operating costs, mainly from the lower cost of local staff in Gaza, although initially there were new expenditures. Additional contributions were being sought to cover the shortfall in extrabudgetary funding for the move, in order that it not place further strain on the Agency's finances (see para. 85).

18. The Agency attached the utmost importance to ensuring that its headquarters was able to function effectively over the longer term from its seat in Gaza. However, the advantages of the new headquarters location did not come without

drawbacks. In many instances, the Agency was unable to identify qualified local staff despite repeated advertisements and consideration of numerous candidatures, necessitating the creation of a few international posts for critical functions. Conditions of service in Gaza also made it more difficult to attract and retain international staff, producing a high turnover rate in the first year which disrupted the flow of work and led to loss of institutional memory. Moreover, headquarters operations were obstructed by security-related measures imposed by the Israeli authorities which restricted the movement of Agency staff and vehicles (see paras. 105 and 108), a matter which the Agency was seeking to resolve within the framework of its cooperative relationship with the Government of Israel. Lack of proximity to diplomatic missions also had an isolating effect. The Agency was striving to overcome those challenges to the extent possible.

19. The presence of UNRWA headquarters in Gaza provided the opportunity to strengthen the Agency's relations with the Palestinian leadership at the highest levels and forge new links with counterparts in the Palestinian Authority. The PLO department for refugees and displaced persons, responsible, inter alia, for relations with UNRWA, became a principal point of contact. Other emerging interlocutors included a newly established committee for refugees and displaced persons within the Palestinian Council, and camp committees formed in the West Bank and Gaza Strip on the initiative of the Palestinian Authority. Especially in the first year after the headquarters relocation, UNRWA appreciated the Palestinian Authority's efforts to facilitate the Agency's work in the self-rule areas, preserve the integrity of its headquarters and field operations, and respect its privileges and immunities as a United Nations body, although a few lapses were noted. The Agency was also gratified at the strong support provided by the Authority in efforts to overcome the Agency's financial crisis. In the education, health, and relief and social services sectors, harmonization of Agency services with parallel Palestinian Authority services progressed, although at a slower rate than in previous years owing to the existence of competing priorities within the Authority. Nonetheless, the Agency continued to cooperate with and render assistance to the Palestinian Authority to the extent possible by, inter alia, accommodating refugee families newly arrived in the West Bank and Gaza Strip, undertaking joint projects and providing technical and ad hoc support (see paras. 36, 46 and 55).

20. In Jordan, Lebanon and the Syrian Arab Republic, which together hosted 62 per cent of all registered refugees, UNRWA continued to cooperate with the host authorities in providing services, as discussed in chapters V, VI and VII of the present report. Attention was focused on the situation of Palestine refugees in Lebanon, who faced deplorable living conditions and were unable to gain full access to the job market or avail themselves of public health and education facilities. While the acute needs of the refugees and their almost complete reliance on the Agency were readily recognized, funding shortfalls made it increasingly difficult to maintain adequate services in the face of deteriorating socio-economic conditions, and media and public attention continued to highlight the Agency's perceived inability to meet the refugee community's basic requirements. In response, the Agency launched a special emergency appeal on 10 July 1997 in Geneva, in the amount of $11 million for 1997 and 1998, comprising $6.9 million for urgently needed health facilities and services, especially hospitalization, $2.7 million for education and $1.4 million for relief and social services activities. The initial response was positive, with donors pledging $8.0 million.

21. The period 1 July 1996-30 June 1997 also marked the first phase of the management review, undertaken with the aim of making the Agency more efficient

and effective in fulfilling its mission in a changing regional and international environment and within the broader context of United Nations reform. The diagnostic phase of the review, conducted in late 1996 and early 1997, consisted of three consultancies, one with donor support, to review the Agency's organizational structure and functions, business processes (finance, procurement, personnel and information systems) and budget management. Following internal assessment of the consultants' recommendations, proposals were implemented in a number of areas. To enhance the decision-making process, a new committee structure was put in place. Budget preparation was modified to more fully integrate zero-base budgeting techniques and overall planning assumptions, with a view to producing a budget which clearly reflected the aims of Agency programmes. Following establishment of an interdepartmental oversight committee for information systems, several initiatives were taken to computerize functions, including completion of the first phase of a donor contribution and projects monitoring system. Some administrative and personnel functions were decentralized from headquarters to the field. Progress in implementation of the management review was affected by the headquarters relocation, lack of funds and turnover of key staff. Nonetheless, the Agency remained committed to implementing further measures to improve performance, cost-effectiveness and transparency.

22. UNRWA maintained close cooperation with a number of United Nations agencies, including the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the Office of the United Nations Special Coordinator in the Occupied Territories (UNSCO) and the World Health Organization (WHO). Agency programmes also benefited from cooperation and coordination with local and international non-governmental organizations in the five fields of operation. The Agency coordinated with the United Nations Truce Supervision Organization (UNTSO) in the framework of the Commissioner-General's capacity as the United Nations Designated Official responsible for the overall security and protection of United Nations staff and family members in Israel, the West Bank and the Gaza Strip. The Commissioner-General was appointed as United Nations Special Coordinator in the Occupied Territories, from 25 October 1996 to 28 February 1997, following the departure of the previous incumbent. UNRWA continued to take part in the multilateral aid coordination initiatives for the West Bank and Gaza Strip facilitated by UNSCO, including the Local Aid Coordination Committee (LACC) and United Nations inter-agency and coordination meetings. The Agency took part in the LACC sectoral working groups on education, employment creation, health, infrastructure, institution-building and the private sector, in addition to providing the secretariat for the working group on the environment.

23. During the period under review, contacts between UNRWA and the League of Arab States were intensified and their relationship in support of UNRWA's humanitarian activities strengthened. The Agency participated in a number of high-level meetings with the League, including special joint meetings, held at Cairo in March and July 1997, with representatives of the Arab host authorities and the Arab League secretariat. The Agency's critical financial situation and its implications for the Palestine refugees and the host authorities were the subject of considerable discussion at those meetings and in other Arab League forums. The Agency appreciated the League's strong support for the continuation of UNRWA's humanitarian services and its appeals for increased contributions to the Agency by Arab League member States and others. (See also paras. 37 and 88.)

24. The outlook for the Palestine refugees and UNRWA at mid-1997 was not encouraging. The critical state of the peace process and the concomitant lack of progress towards resolution of issues, including the refugee problem, made it increasingly likely that the refugee population would continue for the foreseeable future to rely on the international assistance provided through the Agency. Frustration and despair within the refugee community, still awaiting a solution to their plight after nearly five decades, were intensified by the poor living conditions and restricted opportunities which so many continued to face. As long as the peace process remained unable to produce tangible improvements in the situation of the refugees, it was more important than ever that UNRWA maintain its long-standing programmes of humanitarian assistance and continue to contribute to stability in the region and enhancement of socio-economic conditions in refugee communities. The pronounced reaction to the painful deficit-reduction measures announced in August 1997 clearly illustrated the potential repercussions of a far-reaching reduction in services, while underlining the importance attached by the refugee community and the host authorities to the continued involvement of the international community in the welfare of refugees and a resolution of the refugee question. Those factors made it all the more pressing to attain a more permanent solution to the Agency's financial difficulties which could ensure its viability in the years to come.

II. GENERAL DEVELOPMENTS IN AGENCY PROGRAMMES

A. Education

25. Elementary and preparatory schooling. In the 1996/97 school year, the 643 UNRWA schools in the Agency's five fields of operation accommodated 436,169 pupils, mainly in the elementary and preparatory cycles but also including 333 students at the single Agency secondary school, in Lebanon (see annex I, table 5). Total enrolment increased by 3.4 per cent, or 14,315 pupils, over the 1995/96 school year. However, growth in enrolment was unevenly distributed, with an increase of 8.6 per cent in the Gaza Strip (11,179 new pupils) and a decrease of 1.6 per cent in Jordan (2,371 fewer pupils), the other three fields maintaining growth rates between 3.1 and 4.6 per cent. While natural growth in the refugee population was the principal cause of the overall increase, other sometimes countervailing tendencies were also at work, including movement of Palestinian families within the area of operations, particularly from Jordan and to the Gaza Strip and West Bank; movement of Palestinian families into the area of operations (Gaza Strip); the transfer of refugee pupils from Agency schools to government schools (Jordan) and vice versa (Syrian Arab Republic); and the transfer of refugee pupils from tuition-based private schools to Agency schools (Lebanon). The Jordan and Gaza fields each accounted for roughly one third of total Agency-wide enrolment, with the other three fields together accounting for the remaining third. With female pupils representing 49.8 per cent of total enrolment, the Agency's school system maintained full gender equality. Under long-standing exchange agreements with host authorities to provide schooling for pupils in remote areas, 106,131 refugee pupils were enrolled at government and private schools at the elementary and preparatory levels, while 38,536 non-refugee pupils attended UNRWA schools. Some 60,551 refugee pupils were also studying in government and private secondary schools within the area of operations. The basic education programme consisted of an elementary cycle of six years and a preparatory cycle of three or four years, depending on local norms; a three-year secondary cycle was also offered at the UNRWA secondary school in Lebanon.

26. Education reform by host authorities. As a matter of policy, UNRWA's basic education programme followed that of the host authority in each field of operation, with regard to curricula, study plans, textbooks and education structure - that is, the different cycles composing the education system, the number of years in each cycle and the age of admission of pupils to each cycle. Changes in host authority education programmes consequently had implications for the Agency, which under normal circumstances would introduce them in its schools. The most significant issue in that regard was the extension of the basic education cycle by the Palestinian Authority from nine years to ten. The Authority, which had previously requested UNRWA to introduce the tenth grade in its West Bank schools, broadened its request to include the Gaza Strip. Keen interest in early implementation continued to be shown by the Authority, which under current arrangements was accommodating tenth-grade refugee pupils in its own schools. However, lack of funds prevented the Agency from introducing the new grade in either field, the fourth consecutive year that it had been unable to do so in the West Bank. The Agency was seeking special funding, in the amount of $7.8 million for the West Bank and $17.7 million for the Gaza Strip, to cover the hiring and training of staff, construction of new facilities, purchase of required textbooks and other expenditures to implement the measure in phases over a four-year period. At the same time, host authorities were taking other steps to modify aspects of their education programmes: in the Syrian Arab Republic, a new study plan, curriculum and textbooks for the

elementary and preparatory cycles were being gradually introduced, beginning with the first elementary grade in the 1996/97 school year; in Lebanon, a new education structure, curriculum and textbooks were due to be implemented in Agency schools on a pilot basis in the 1997/98 school year, and generally in following years; in the West Bank and Gaza Strip, a revised education structure and curriculum were under review by the Palestinian Authority. In Jordan, a series of education reforms had already been introduced. The Agency was monitoring the possible financial implications of those reforms with a view to obtaining project funding to implement the necessary changes. Failure to do so would lead to divergences between Agency and national education programmes, which could create additional burdens for host authorities and place Agency pupils at a disadvantage with respect to their public school counterparts, with implications for future educational, employment and other opportunities.

27. Education infrastructure. The shortcomings of UNRWA's education infrastructure continued to adversely affect the basic education programme. Lacking a sufficient number of school buildings, the Agency was in most cases obliged to house two separate administrative schools in one building, working in morning and afternoon shifts, a practice which shortened the school day, led to overuse of facilities and effectively deprived pupils of extracurricular activities. In the 1996/97 school year, the 643 Agency administrative schools operated out of 412 buildings, with a double-shift rate of 75 per cent. That rate increased from 69 per cent in the 1995/96 school year, owing to the large increase in enrolment in the Gaza Strip, which required some schools to switch to double shifts. Many Agency schools were accommodated in dilapidated structures built in the 1950s or 1960s, some of which were becoming unsafe or were beyond repair. Where no UNRWA-built school was available, the Agency was obliged to accommodate pupils in rented buildings not originally designed as schools and hence lacking adequate classroom space, proper lighting and ventilation, and facilities such as laboratories, libraries, computer rooms and playgrounds. On the whole, rented premises afforded pupils roughly one third of the classroom space available in Agency-standard schools, resulting in cramped conditions but also increasing recurrent costs for teachers by limiting the number of pupils per classroom. The 78 rented premises accommodated 16.3 per cent of administrative schools. Overcrowding within the Agency's education system continued, owing to limited resources to fund employment of teachers or construction of new schools and classrooms. The average classroom occupancy rate Agency-wide in the elementary and preparatory cycles was 43.2 pupils in the 1996/97 school year, up from 42.7 pupils in the 1995/96 school year. The rate was highest in the Gaza Strip (48.1 pupils), which continued to experience large increases in enrolment, and lowest in the West Bank (37.6 pupils).

28. Infrastructure development. The Agency sought to address those problems by obtaining project funding, particularly under the Peace Implementation Programme, for the improvement and expansion of its education infrastructure. During the period 1 July 1996-30 June 1997, 13 school buildings were constructed to expand capacity or replace unsatisfactory rented premises or dilapidated structures; 29 classrooms were built to avoid triple-shifting and replace unsafe classrooms; 15 specialized rooms, such as libraries, science laboratories, computer rooms, vocational education rooms, home economics units and multi-purpose rooms, were added to school premises which lacked such facilities, and three administrative rooms were built. Another 15 schools, 62 classrooms and five specialized rooms were under construction in mid-1997. A number of projects to upgrade school facilities, through comprehensive maintenance, pavement of playgrounds, replacement of toilet blocks and construction of boundary walls, were completed or under way. While availability of funding was

the main limitation on the Agency's building programme, in some fields, such as the West Bank (see para. 113) and Lebanon, problems relating to sites were an equally serious constraint.

29. Special education. UNRWA continued to provide specially tailored programmes aimed at maintaining standards and improving the achievement levels of pupils in Agency schools. Agency-wide achievement tests in science, mathematics and Arabic were administered for grades five and seven, areas of weakness diagnosed and remedial plans prescribed. Certain fields also conducted comprehensive examinations for some grades in basic subjects at the end of the first semester, with a view to encouraging staff to improve performance and determining where remedial action was needed. Compensatory measures included remedial classes, additional class periods, extra supervision of teachers' performance, audio-visual programmes, curriculum enrichment materials, self-learning kits and teachers' guides. The Agency's efforts focused on overcoming the cumulative negative consequences of lengthy disruptions to the education process during the intifada in the occupied territory and the civil conflict and camps war in Lebanon, which were manifested in low achievement levels in nearly all subjects. In addition, 1,388 slow learners, children with learning difficulties and pupils in need of remedial attention were accommodated in the Agency's regular education programme by means of special instruction. A consultant was engaged to study pupils with learning difficulties and propose policies and strategies to meet their needs.

30. Vocational and technical training. The eight UNRWA vocational and technical training centres in the five fields offered 4,666 training places in the 1996/97 academic year, an increase of 42 over the 1995/96 academic year (see annex I, table 6). However, actual enrolment remained below capacity, at 4,444 trainees, largely owing to the inability of trainees from Gaza enrolled at Agency training centres in the West Bank to obtain the requisite permits from the Israeli authorities. At the post-preparatory level, 22 two-year vocational courses were offered to male trainees in the building, electrical, electronic, mechanical and metalworking trades, in addition to special courses for women. At the post-secondary level, 26 two-year technical/semi-professional courses were offered to male and female trainees in a variety of technical, paramedical and commercial skills. Course offerings varied from centre to centre according to local labour market needs and the availability of training opportunities at other institutions. Agency training centres also offered short-term courses of 12 to 40 weeks' duration in Jordan, Lebanon and the West Bank, in which 133 trainees were enrolled. Graduates of Agency educational institutions faced improved employment opportunities locally and elsewhere in the region during the reporting period. The placement and career guidance office at the Agency's Amman headquarters assisted in finding employment for more than 300 graduates of Agency training centres, with nearly 73 per cent of 1995 graduates reported employed. Career guidance for preparatory and secondary pupils was provided in each field, in cooperation with host authorities. Several projects to construct, equip, renovate or upgrade workshops and other training facilities were completed or ongoing, and funding was being sought to upgrade computer laboratories at all Agency training centres.

31. Training courses. Course offerings at the centres included the following vocational/trade courses: auto body repair, auto electrical systems, auto mechanics, building construction craftsmanship, building finishing and decorating, carpentry/wood machining, diesel and construction equipment mechanics, diesel and agricultural machinery mechanics, electrician training, machine maintenance, machining/welding, maintenance fitting/machining, office equipment mechanics, plumbing and central heating, radio and television

maintenance, refrigeration and air conditioning, sheet metal and aluminium fabrication, smithery/welding, and welding and pipe fabrication, and courses for women in clothing production, dressmaking, and hairdressing and beauty care. Technical/semi-professional courses included: architectural draughting, assistant in architecture, assistant in civil engineering, assistant in pharmacy, assistant in physiotherapy, banking and financial management, business administration, business and office practice, ceramics production, computer science, computer information systems, electronics, dental hygiene, home and institutional management, industrial electronics, interior design and decoration, land surveying, marketing and financial management, mechanical draughting, medical record-keeping, medical laboratory work, nursing, pre-school education, secretarial work and office management, social work, and technical construction work. Owing to financial constraints, the Agency could not introduce a new intake of students for the interior design and decoration course at Damascus Training Centre, while a new intake of students for the architectural draughting course at Gaza Training Centre was made possible only by dropping another course. An industrial electronics course at Ramallah Men's Training Centre and a diesel and agricultural machinery mechanics course at Kalandia Training Centre were the only new courses introduced, with external funding.

32. Educational Sciences Faculty. The three branches of the Educational Sciences Faculty (ESF) in Jordan and the West Bank continued to provide pre-service and in-service teacher training leading to a first-level university degree. The ESF had been established in September 1993 in response to education reforms introduced by the Government of Jordan and was later adopted by the Palestinian Authority in the West Bank, which required that teachers in the basic education cycle possess four-year diplomas. The four-year pre-service programme, which granted degrees in classroom teaching or in the specialized topics of Arabic, mathematics, science and vocational education, was offered to 737 secondary school graduates, including 509 women, at the Amman, Ramallah Men's and Ramallah Women's training centres. The three-year in-service programme was offered at the Amman ESF to 619 teachers holding two-year teacher training diplomas, including 164 women, to upgrade their qualifications to the first university degree level. During the reporting period, 227 pre-service trainees and 169 in-service trainees graduated from ESF programmes, the first groups of students ever awarded a university-level degree by UNRWA. Of the pre-service graduates, 26 were hired on competitive basis as teachers in West Bank schools, with more expected to be recruited for the 1997/98 school year. The ESF in-service programme in Jordan would henceforth produce about 200 qualified graduates a year, enabling the Agency to upgrade all underqualified teachers in the field over a 10-year period. The pre-service programme in Jordan and the West Bank would also produce about 200 graduates a year, from whom the Agency could recruit to meet new teacher requirements or to replace separating teachers.

33. In-service training. Beyond the specific objectives of the ESF programme, UNRWA continued to maintain and improve qualitative standards within its education system through its regular in-service training programme, which benefited 474 teachers, head teachers and school supervisors during the reporting period. To upgrade the qualifications of newly hired teachers who lacked formal teacher training, the programme offered a two-year course for teachers with secondary-level diplomas and a one-year course for teachers with a first-level university degree. A one-year course for head teachers and school supervisors aimed to develop their administrative, supervisory and leadership skills. Other offerings included refresher courses in particular subjects, courses to accustom teachers to curricular changes introduced by host

authorities and courses on teaching methodologies and guidance counselling. The UNRWA/UNESCO Institute of Education, located at the Agency's Amman headquarters, provided technical and administrative guidance for the regular in-service training programme, which was implemented by a separate education development centre in each field.

34. University scholarships. During the 1996/97 school year, UNRWA awarded university scholarships to 1,088 Palestine refugee students, including 507 women, for study at 45 universities in 10 countries in the region (see annex I, table 7). The increase of 145 scholarships over the 1995/96 school year resulted from additional project contributions to the programme. Ranging in value from $250 to $1,500 a year, the scholarships were awarded on the basis of academic merit as evidenced by the results of general secondary-school examinations (tawjihi), and were renewable annually for students progressing to the next year until the first university degree level was achieved. Over 72 per cent of scholarship recipients were studying engineering, pharmacy or medicine; other fields of study included dentistry, science, business, education, computer science and the arts. Through the scholarship programme, the Agency sought to enhance education levels and hence employability of Palestine refugee youths who were high achievers.

35. Programme matters. The education programme remained UNRWA's single largest area of activity. The 13,766 education staff represented two thirds of all Agency staff, and the education budget of $167.1 million for 1997 accounted for half of the total Agency budget. In all fields except Gaza, nominal contributions at prescribed rates were collected from pupils and trainees on a voluntary basis for use in improving the facilities and equipment of schools and training centres. Within the framework of the Agency's eighth biennial education work plan for 1996-1997, four internal evaluations were conducted which revealed that the intended objectives of activities planned for 1996 had been achieved to high quantitative and qualitative standards. Earth Day was marked for the first time in Agency schools, with lectures, posters, contests, tree-plantings, clean-up campaigns and other community services organized on 29 April 1997. The Agency commenced development of an education management information system, an on-line relational database covering all aspects of the education programme, with the goal of enhancing programme management and improving project reporting.

36. Cooperation with host authorities. UNRWA continued to cooperate actively with the Palestinian Authority in the education sector within the framework of their May 1994 memorandum of understanding. The joint technical coordination committee established under the memorandum met in Ramallah in October 1996 to discuss introduction of the tenth grade in Agency schools, textbooks for the 1997/98 school year, recent developments in the preparation of the new Palestinian curriculum and other topics. Further to that meeting, UNRWA liaised with Egyptian and Palestinian education officials regarding financial difficulties faced by an Egyptian-run secondary school in Canada camp housed in Agency premises, resulting in additional financing for the school by the Authority and the Government of Egypt. A second meeting of the joint committee scheduled for April 1997 was postponed at the Authority's request. Discussions were also held with officials of the Palestine Liberation Organization regarding the possibility of the Agency assuming full responsibility for the operation of a secondary school in Rashidieh camp in Lebanon, subject to availability of external funding. A one-acre leased site on the grounds of the Ramallah Men's Training Centre was made available for construction of a Palestinian Council building. In the 1996/97 school year, UNRWA elementary and preparatory schools in the West Bank and Gaza Strip utilized study plans and textbooks prescribed by

the Palestinian Authority, with textbooks procured for the first time in Gaza. The Agency coordinated with the Authority on issues such as school calendars and infrastructure mapping and on accommodating in Agency schools children of refugee families newly arrived in the self-rule areas. Agency staff continued to participate in the design and development of a unified Palestinian curriculum through the Palestinian Authority's curriculum development centre. The Agency cooperated with the Authority in offering vocational training courses for released prisoners in the West Bank, and constructed a secondary school building for it in Gaza using project funds received for that purpose. The university-level degrees awarded by ESF in the West Bank received recognition by the Authority. In Jordan, Lebanon and the Syrian Arab Republic, UNRWA's basic education programme continued to be carried out in accordance with host government education programmes, as noted earlier. Other forms of cooperation included accreditation of ESF specializations in Jordan and Agency secondary school certificates in Lebanon; assistance in overcoming problems in Agency education infrastructure in Jordan; and cooperation in the implementation of education reforms for the elementary and preparatory cycles in the Syrian Arab Republic.

37. Cooperation with UNESCO/Arab League. The Agency's education programme was run in cooperation with UNESCO, which assumed technical responsibility by providing a group of seven senior managers to UNRWA, including the Director of Education. Of those managers, four occupied international posts provided by UNESCO on a non-reimbursable loan basis and three occupied area posts whose cost was covered by UNESCO. Agency schools located in the coastal regions of the Syrian Arab Republic, Lebanon and the Gaza Strip were designated as participants in UNESCO's south-eastern Mediterranean project for the preservation of the sea environment, due to commence later in 1997. The sixth annual joint meeting between UNRWA and the Arab League Council on Education for the Children of Palestine, held at Cairo in December 1996, reviewed education services offered to Palestine refugees in the host countries and issues facing the UNRWA education programme, and issued a number of technical recommendations for the enhancement of UNRWA's education services. The Agency's efforts to provide education services at acceptable standards to Palestine refugees were commended by the host countries.

B. Health

38. Primary care. UNRWA's health-care programme remained focused on comprehensive primary health care, including a full range of maternal and child health care and family planning services, school health services, health education and promotion activities, out-patient medical care services, prevention and control of communicable diseases and of non-communicable diseases such as diabetes mellitus and hypertension, and specialist care with an emphasis on gynaecology and obstetrics, paediatrics and cardiology. The services were provided through the Agency's network of 121 primary health-care facilities - including 88 health centres, 23 health points offering a wide range of health-care services on a part-time basis, and 10 mother and child health centres offering comprehensive family health services - supported by basic services such as X-ray and laboratory facilities (see annex I, table 8). During the period 1 July 1996 to 30 June 1997, Agency out-patient facilities handled 5.3 million medical and 0.5 million dental visits, as well as 1.4 million visits for nursing services such as dressings and injections. Essential medical supplies, supplementary feeding for vulnerable groups and rehabilitation of physical disabilities were also provided within the framework of the primary health-care programme. With project funding received mainly under the Peace Implementation

Programme, the Agency continued to seek expansion of the health infrastructure in the five fields of operation through construction of new health centres, replacement or rehabilitation of old health premises and procurement of equipment and supplies. Work was completed on the construction of six health centres and three health points and the expansion or renovation of six health centres. In mid-1997, work was under way on construction of a health centre, a health point and a mother and child health centre.

39. Programme budget. The health programme had an operating budget of $61.3 million for 1997. Owing to funding shortfalls, allocations had to be reduced through a series of austerity measures, leaving average budgeted expenditure per refugee on health services at little more than $18 a year. The share of primary medical care services, the largest component of the health programme, was approximately $10. Considering the tangible achievements of the programme and the wide range of services provided, UNRWA's health-care system remained one of the most cost-effective in the region. Approximately 62 per cent of cash allocations to the health programme was devoted to the costs of 3,412 locally recruited health staff Agency-wide, who implemented all core programme activities. Even with such a large share of expenditure on staff costs, available human resources fell short of ever-increasing demands. The sanitation labour force in camps remained 26 per cent below Agency standard norms owing to a recruitment freeze, while the ratio of Agency health staff per 10,000 population was 0.87 for doctors and 2.5 for nurses, as against comparable national figures of 5.5 doctors and 50 nurses in Jordan and 10.8 doctors and 28.3 nurses in the Syrian Arab Republic.[2] As a result, workloads in Agency health facilities remained high - an average of 100 patient visits per doctor per day Agency-wide, reaching as many as 118 in the Gaza Strip. As part of its long-standing technical assistance, WHO provided UNRWA on a non-reimbursable loan basis two senior health staff, including the Director of Health, and covered the cost of the five division chief posts. Localization of those posts was completed on retirement of incumbents or expiry of contracts, in agreement with WHO.

40. Family health. Family health continued to be emphasized as an integral part of the Agency's regular health programme. The progress attained in recent years towards development of a comprehensive maternal health and family planning programme was reinforced through additional contributions from the European Union in the context of its 1996-1998 convention with UNRWA, as well as by a special contribution from UNFPA towards the cost of contraceptive supplies for the Jordan, Lebanon, Syrian Arab Republic and West Bank fields. The additional allocations enabled the Agency to recruit additional gynaecologists/ obstetricians, medical officers and trained midwives and to ensure full integration of family planning services in the Agency's maternal and child health-care programme. During the reporting period, UNRWA's mother and child health clinics and centres cared for some 205,000 children below the age of three, representing approximately 6 per cent of the registered refugee population, and some 70,000 pregnant women, who accounted for approximately two thirds of expected pregnancies among women of reproductive age based on current crude birth rates. Nearly 23,000 family planning acceptors were registered during the period 1 July 1996-30 June 1997, bringing the total number of women using the Agency's family planning services to 51,000. The number of health centres providing intrauterine device services increased to 61 in mid-1997, up from 50 in 1994, with another 10 centres planned to introduce the service later in 1997. The Agency undertook studies of discontinuation of modern contraceptive use and infant/early child and maternal mortality as part of expanded health services research aimed at assessing the health status of the

refugee population based on universally accepted indicators and at establishing a reliable database for monitoring and evaluation of programme activities.

41. Disease prevention and control. UNRWA exerted special efforts to maintain and further develop an effective programme to address the array of challenges in disease prevention and control, including control of communicable diseases preventable by immunization, such as poliomyelitis and tetanus; prevention of vector-borne diseases transmitted through environmental channels, such as brucellosis and intestinal parasites; prevention of newly emerging infectious diseases, such as HIV/AIDS; control of re-emerging infectious diseases, such as tuberculosis; and prevention and control of non-communicable diseases associated with lifestyles, such as diabetes mellitus, hypertension, heart diseases and cancer (see annex I, table 9). To this end, the Agency maintained optimal immunization coverage against the major childhood diseases, participating in the spring of 1997 in national immunization days for eradication of poliomyelitis throughout its area of operations, in the context of a WHO regional strategy implemented in coordination with local health authorities. A total of 205,000 refugee children under the age of five were immunized, using regular vaccines donated by UNICEF. UNICEF provided UNRWA's vaccine requirements for the expanded programme on immunization - including antigens against the six childhood diseases and hepatitis B vaccine, particularly in Lebanon - as part of long-standing cooperation on immunization. The Governments of Jordan and the Syrian Arab Republic provided the Agency's annual requirements for hepatitis B vaccine in the framework of ongoing arrangements. UNRWA was considering, subject to availability of funds, a programme for deworming of children based on the WHO single-dose treatment technique. Special care, comprising close monitoring and management for diabetes mellitus and hypertension, was provided through all Agency health centres, benefiting 63,000 patients during the period 1 July 1996-30 June 1997. Programmes for cancer prevention comprised introduction of a simple technique for self-examination and early detection of breast cancer as an integral part of maternal health-care services, as well as a youth-centred programme for prevention of tobacco use among schoolchildren. Special attention continued to be paid to early detection and management of micronutrient disorders, especially iron-deficiency anaemia, which was still highly prevalent among pre-schoolchildren and women of reproductive age.

42. Secondary care. Assistance towards secondary care was provided to Palestine refugees through partial reimbursement of costs incurred for treatment at governmental or non-governmental hospitals and/or through contractual agreements with non-governmental or private hospitals, depending on the field of operation. While the Agency managed to maintain its primary health-care services within the limited financial and human resources available, it could not continue to meet the continuous increase in the cost of hospital services during the reporting period owing to revision of rates by governmental and non-governmental hospitals. Despite the introduction in October 1995 of a system of co-payment by all patients treated at contracted hospitals, the Agency had no alternative but to apply a series of cost-containment measures, including limiting referrals to emergency and life-threatening conditions in the Syrian Arab Republic and discontinuing cash subsidies for treatment at private hospitals in Jordan. In Lebanon, it was possible to maintain hospital services at the current level only by securing extrabudgetary resources, without which services would have been seriously curtailed. In the West Bank, the 25 per cent co-payment rate had to be applied at all contracted hospitals. Hospitalization accounted for 18 per cent of cash allocations for the health programme in 1996, the second-largest component of the health budget after staff costs. It was readily recognized that escalation in the cost of hospitalization, a service largely dependent on the importation of modern technology from industrialized

countries, would continue to overtax regional health-care systems for years to come. Should the Agency's income continue to fall behind actual funding requirements, a situation might arise in which the Agency could be forced towards further cost-containment measures, some of which could not be implemented without endangering the lives of needy refugees affected by the double burden of falling incomes and rising costs of living.

43. Human resources development. UNRWA continued to emphasize development of human resources for health as a key element of its programme strategy. In-service training was offered according to programme and field needs in the areas of health services management, reproductive health and family planning, prevention and control of non-communicable diseases, communication and counselling techniques, and quality assurance of laboratory services. Basic training was provided in nursing and midwifery at the Gaza College of Nursing (see para. 211) and in a variety of paramedical specializations through UNRWA's vocational and technical training centres. The Agency also facilitated post-graduate training opportunities for health staff. A pledge of $306,000 was received to support a programme for development of human resources for health Agency-wide in collaboration with the United States Centres for Disease Control and Prevention, which would include training in the epidemiology of communicable and non-communicable diseases and counselling in reproductive health and health services management, targeting senior health managers from UNRWA's five fields of operation and from the Palestinian Authority.

44. Health education. The Agency conducted a wide spectrum of health education activities aimed at promoting healthy lifestyles and raising public awareness within the refugee community. Health staff conducted regular group and individual counselling sessions to health centre attendees; schoolchildren were targeted through planned activities supervised by a health tutor in each Agency school; community health education campaigns were organized on an occasional basis, mainly in camps, and international health days were marked at all UNRWA installations in camps. Topics included family health issues, home management of common childhood diseases, personal health and hygiene, environmental sanitation, and prevention of disabilities. The youth-centred education package on prevention of tobacco use, referred to in the previous year's report, was implemented in UNRWA preparatory schools beginning in the 1996/97 school year and, following evaluation, was recommended for expansion. The Joint United Nations Programme on HIV/AIDS (UNAIDS) provided funding towards expansion of the educational programme on HIV/AIDS and other sexually transmitted diseases, which had completed a successful pilot phase in selected UNRWA preparatory schools in the 1995/96 school year. The programme, which had originally been developed and implemented with the support of WHO, was consistent with UNAIDS objectives to prevent the transmission of HIV and reduce individual and collective vulnerability to HIV/AIDS, thereby helping to prevent the pandemic from reaching endemic proportions among the Palestine refugee population. UNAIDS would cover the cost of reproducing educational materials and training trainers, while UNRWA would provide health and education resource personnel and logistical support.

45. Environmental health. Over 1.1 million Palestine refugees residing in 59 official camps in the five fields of operation benefited from environmental health services provided by UNRWA in cooperation with local municipalities, including sewage disposal, management of storm water run-off, provision of safe drinking water, collection and disposal of refuse, and control of insect and rodent infestation. The Agency continued to play an active role, particularly in the Gaza Strip, in the planning and implementation of large-scale projects for the installation of sewerage, drainage and water networks in camps and in the expansion of solid waste collection and disposal capacity. UNRWA completed

or continued implementation of sewerage and drainage projects in four camps in the West Bank and two camps in the Gaza Strip; completed detailed technical designs for sewerage and drainage projects in eight camps in Lebanon and one in the Syrian Arab Republic; and provided technical assistance on two sewerage and drainage projects in the Gaza Strip which had been prepared to the detailed design stage by UNRWA and were being implemented by the Palestinian Authority with bilateral donor funding. Under the self-help programme for environmental health, the Agency contributed building materials for projects such as paving of pathways and construction of surface drains, with labour being provided on a volunteer basis by camp committees.

46. Cooperation with host authorities. UNRWA's commitment to the process of building a sustainable health-care system in the Palestinian self-rule areas within available means was shown in the high priority it placed on coordinating and streamlining health policies and service standards with the Palestinian Authority, and on assistance and cooperation on projects to enhance health infrastructure. Senior UNRWA health staff participated in all Palestinian Authority technical committees to address practical aspects of health policy and in all health meetings, conferences and studies organized by the Authority in collaboration with WHO, UNICEF and major donors. The Agency cooperated closely with the Authority in implementation of a three-year maternal health and family planning project (see para. 212); participated in a newly established committee for the control of iodine deficiency disorders (see para. 189); procured emergency medical supplies for the Authority, with donor support; maintained the arrangement for the treatment of members of the Palestinian Police Force and their families in Jericho at local Agency clinics; and harmonized its immunization schedule with that of the Authority, which provided the Agency's vaccine requirements. A close dialogue was maintained between UNRWA, the Palestinian Authority and the European Union to reach a common understanding on the commissioning and future operation of the European Gaza Hospital (see para. 210). The Agency cooperated and coordinated with the Palestinian Authority and concerned donors in respect of projects for the construction of a central health laboratory in Ramallah in the West Bank, for the upgrading of the Agency hospital in Qalqilia and for improvements to environmental health infrastructure in the Gaza Strip (see paras. 186 and 214). Nevertheless, complexities relating to the peace process and limited international assistance represented major obstacles to completing institutional capacity-building, rehabilitating and constructing essential health infrastructure, and developing appropriate health policies and detailed plans of action in the self-rule areas, with implications for the progress attained. The Agency also maintained close cooperation with health ministries in Jordan, Lebanon and the Syrian Arab Republic, including through exchange of information, coordination of disease control measures and participation in national conferences and immunization campaigns. Projects for the improvement of sewerage, drainage and water supply systems in camps were carried out in coordination with local authorities, sometimes involving connection of camps to municipal or regional networks. In Jordan, cooperation covered a wide range of public health activities, as well as government-sponsored projects to improve environmental health infrastructure in camps.

C. Relief and social services

47. Refugee registration. There were 3.42 million Palestine refugees registered with UNRWA at 30 June 1997, an increase of 3.3 per cent over the 30 June 1996 figure of 3.31 million (see annex I, table 1).[3] The rate of increase was significantly lower than in previous years and closer to the rate

of natural population growth, suggesting that families wishing to update records to include previously unregistered persons had now largely done so. That tendency, noted in earlier reports, could be attributed to two causes: the perception that there might be a link between Agency records and a future negotiated settlement of the Palestine refugee question, and the relocation of many refugee families from outside the area of operations in the early 1990s, both particularly relevant in Jordan. During the reporting period, by contrast, most requests for updating represented new births, marriages and deaths. The largest proportion of refugees was registered in Jordan (41.4 per cent of the Agency-wide total), followed by the Gaza Strip (21.8 per cent), the West Bank (15.9 per cent), Lebanon (10.5 per cent) and the Syrian Arab Republic (10.4 per cent). Of the registered population, 37.5 per cent were age 15 or under, 53.5 per cent were between 16 and 59 years of age and 9.0 per cent were age 60 or older. Fewer than one third were registered in the 59 refugee camps in the area of operations, most being intermingled with the indigenous population in towns and villages (see annex I, table 2).

48. Unified registration system. Work continued on the project to develop a unified registration system (URS) to electronically integrate three sets of UNRWA records: a basic registration database, an archive of family files and a database of socio-economic data on special hardship families. In December 1996, a Palestinian research team, working with the endorsement of the Palestinian Authority, completed a feasibility study and project proposal for electronic storage of those materials. While funding was being sought, the Agency conducted a pilot project in early 1997 to identify appropriate technology and establish standards for the scanning of the estimated 700,000 hard-copy family files, the major task of the URS project. Those files, containing documents from the pre-1948 period to the present, had decayed through regular use and were in need of preservation. With the electronic storage of the family files and linkage of the three sets of records, the unified registration system would improve programme planning and management, ensure the security of vital data and preserve an important historical resource. Meanwhile, improvements to existing Agency records continued. The basic registration database, downloaded to fields in the previous reporting period, was made more accessible to sub-area offices, with resulting efficiencies in providing services. An enhanced version of the socio-economic database, upgraded to facilitate casework and poverty alleviation, was installed on a provisional basis in field offices in January 1997.

49. Special hardship programme. UNRWA continued to assist refugee families unable to meet basic needs for food, shelter and other life essentials through the special hardship programme. The number of refugees in households meeting the stringent eligibility criteria - no male adult medically fit to earn an income, and no other identifiable means of financial support above a defined threshold - increased by 3.4 per cent, from 179,178 at 30 June 1996 to 185,259 at 30 June 1997 (see annex I, table 3). The proportion of special hardship cases within the total registered refugee population remained unchanged, at 5.4 per cent. The close correlation between growth in special hardship enrolment and in the registered population suggested that average demand had reached a stable level, barring a modification in eligibility criteria or a significant change in the socio-economic circumstances of impoverished refugees. Although the programme did not provide assistance to families in which there were employable but unemployed male adults, poor socio-economic conditions, including unemployment, contributed indirectly to the demand for assistance by reducing the income-earning potential of extended families, on whom poorer families might rely as an alternative to special hardship assistance. The percentage of refugees enrolled in the programme continued to be highest in

Lebanon (10.2 per cent) and the Gaza Strip (8.4 per cent) and lowest in Jordan (2.5 per cent).

50. Food support. The principal means of assistance to special hardship families was food support, with other assistance comprising higher hospitalization subsidies, emergency cash assistance, shelter rehabilitation and poverty alleviation initiatives, and preferential access to UNRWA training centres. As the amount of commodities traditionally donated was not forthcoming, serious food-stock ruptures occurred in late 1996, with most special hardship families not receiving a full ration in one or more distributions. Following consultations with donors, it was decided to modify the form of food support with effect from January 1997. While the basic commodities of the food ration most valued by refugees were retained - flour, rice, sugar, cooking oil and milk powder - a cash subsidy equivalent to $40 per person per year was substituted for the other items - tomato paste, sardines and pulses. The cash subsidy was disbursed at distribution centres simultaneously with the basic commodities, in Jordan and the Syrian Arab Republic, or was paid to recipients via local banks, in the West Bank and Gaza Strip. Special hardship families in Lebanon continued to receive assistance entirely in kind, owing to high inflation which would have eroded the purchasing power of the cash subsidy. The subsidy was intended to give refugees flexibility in the choice and timing of food purchases, enabling them to increase fresh food consumption. In addition, cash purchases from local suppliers would replace international procurement of food ration commodities, thereby supporting local economies. Whether in cash or in kind, food support aimed to ensure recipients the means for a minimum daily intake of 1,800 calories. The Agency initiated a survey to assess client preferences and the impact of the change on usage patterns and food security in special hardship households. Preliminary indications, based on the first phase of the survey conducted in April 1997, were that the change was cautiously welcomed by a majority of clients. The survey would form the basis of an internal review of food support, due to be completed by the end of 1997, which would consider, inter alia, whether to continue the cash subsidy and, if so, at what level, as the current level fell short in all four fields of the market value of the commodities it replaced.

51. Shelter rehabilitation. Progress in meeting the urgent housing needs of special hardship families slowed during the reporting period owing to a decrease in Peace Implementation Programme (PIP) funding for that purpose. In contrast to the 4,559 shelters rehabilitated in 1994/95 and 2,556 in 1995/96, UNRWA rehabilitated 600 shelters in 1996/97 (567 funded through PIP), representing just 5 per cent of total estimated need. Some 11,880 special hardship families, representing 25 per cent of the Agency-wide total and comprising 46,315 persons, still lived in housing which did not meet minimally acceptable standards for structural soundness, hygiene, ventilation and space relative to family size, with consequent social and health problems. In the absence of additional PIP contributions for shelter rehabilitation, interventions would not keep pace with increasing requirements arising from new enrolment of special hardship families. Pockets of dire need also remained, particularly in Lebanon, where displaced refugee families were squatting in miserable conditions. Works for shelter rehabilitation were carried out either on a self-help basis, with the Agency providing financial and technical assistance and beneficiary families arranging volunteer labour, or by small camp-based contractors, with the aim of creating employment within the refugee community. The Agency continued to seek PIP funding for shelter rehabilitation, repeatedly drawing the attention of donors to priority needs. Besides reconstruction or repair of existing shelters, the Agency could meet needs in a cost-effective manner by building shelter for

low-income refugees where local circumstances and availability of sites permitted, as in Beddawi camp (see para. 153).

52. Poverty alleviation programme. Under the poverty alleviation programme, UNRWA continued to assist disadvantaged refugees, especially women, to raise their economic status through skills training, production units, group savings and loan schemes, and credit provision. The programme focused on special hardship cases, with a view to enabling them to achieve a sufficient level of income to be removed from the special hardship rolls. During the reporting period, 55 grants and 88 loans were awarded to special hardship and other impoverished families to assist them in establishing small enterprises. The programme's emphasis shifted towards loans repayable either to the Agency or to a community group, allowing capital to be recovered and reinvested. UNRWA staff provided training in credit provision and served as trainers in courses organized by other United Nations organizations in Jordan, Lebanon and the Syrian Arab Republic. Group savings and loan schemes benefited 666 participants in Jordan and the Syrian Arab Republic, where women participants were especially interested in utilizing them for home improvements and purchase of equipment to enable them to earn an income. A total of 27 skills-training and production units were in operation, including income-generation projects established at women's programme centres and community rehabilitation centres. Total participation in the poverty alleviation programme increased slightly, from 1,803 participants at mid-1996 to 1,848 at mid-1997 (see annex I, table 4).

53. Social development programmes. Participation in UNRWA's community-based social development programmes for women, youths and persons with disabilities increased by 22 per cent, from 26,458 at mid-1996 to 32,407 at mid-1997. The focal point for the programmes was the network of 126 Agency-sponsored community centres, comprising 71 women's programme centres, 30 community rehabilitation centres and, in the West Bank and Gaza Strip, 25 youth activities centres. Activities at the women's programme centres emphasized projects and training that would help participants earn an income; lectures and workshops on issues of concern to women and the community; courses to enhance the social development of women; and provision of support services for women, such as kindergartens and legal advice bureaus. The community rehabilitation centres worked to raise community awareness of the needs and rights of the disabled; integrate persons with disabilities into mainstream activities such as schools; help disabled persons and their families cope with disability; assist disabled adults to obtain training and employment; and provide referrals to specialist services and equipment such as hearing aids and prosthetic devices. The youth activities centres offered sports, recreational and cultural activities, which were increasingly open to young women; organized community service activities such as clean-up campaigns; and held lectures and public meetings on issues of community concern. The Agency-sponsored centres played an important role in community life and in many areas were the only ones of their kind. The Agency provided technical assistance to support the centres' work, such as training of volunteer rehabilitation workers.

54. Progress towards self-sustainability. Mid-1997 marked the half-way point in the five-year (1995-1999) plan to achieve managerial and financial sustainability for the community centres. At 30 June 1997, 52 of the 71 women's programme centres were managed by local committees, up from 42 the previous year, as were all community rehabilitation centres and youth activities centres. The Agency provided small subsidies to each centre towards an approved annual programme plan and budget and helped the committees establish income-generating projects to provide revenue for the centre and income for participants, with particular success in Jordan (see para. 135). Other sources of income for the

centres included participation fees and contributions from local sources. The fact that participation in community programmes increased without a corresponding increase in Agency expenditure was an indication of the progress made towards self-sustainability. The Agency also fostered institution-building, providing training to local committees and Agency staff in all fields in skills necessary for self-management of the centres, such as programme, administrative and financial management, development of organizational structures, and fund-raising. Simple finance systems, computerized where possible, were installed at all centres. The Agency assisted in establishing new managing committees and preparing committee by-laws and sought to strengthen links among the centres and between them and local governmental and non-governmental organizations sharing similar objectives. The centres relied heavily on the efforts of volunteers, who were responsible for planning and implementing activities.

55. Cooperation with host authorities and non-governmental organizations. UNRWA's social development programmes were carried out in close cooperation with host authorities, non-governmental organizations, and other United Nations agencies. Cooperation was particularly close with the Palestinian Authority departments of culture, social affairs, and youth and sports, which actively supported Agency-sponsored community centres. The Authority granted financial and technical assistance to the centres on an ad hoc basis during the reporting period, supported their social development work (see paras. 197 and 229) and cooperated in organizing educational and recreational activities. The centres' managing committees and Agency staff participated in policy development efforts by the Authority, for example with respect to disabled persons (see para. 225). The Agency also cooperated with the Authority on an after-school recreation programme and an emergency job creation programme (see paras. 227 and 228). The existence of other priorities within the Palestinian Authority lent itself to more informal cooperation on specific activities. Cooperation in the relief and social services sector also remained strong in Jordan, Lebanon and the Syrian Arab Republic. In Jordan, a high-level working group to strengthen community initiatives was established between UNRWA and the Ministry of Social Development, and the Agency participated in efforts to establish a national credit coalition for small businesses and micro-enterprises run by women. Other United Nations agencies and local and international non-governmental organizations specializing in women's issues and disability provided technical assistance and, together with local embassies, were an important source of funding for community centres.

56. Programme matters. The 1997 budget of the relief and social services programme was $38.0 million. However, austerity measures necessitated by the deficit in the Agency's cash budget and a shortfall in in-kind donations to the food support programme reduced programme allocations, directly impacting on beneficiaries. An insufficient number of local professional staff limited the Agency's ability to meet programme objectives: with caseloads averaging 250 families, social workers could spend an average of only six hours per family per year to manage the delivery of special hardship assistance and promote self-reliance. The 638 relief and social services staff represented 3 per cent of all Agency posts, accounting for 18 per cent of the programme budget.

57. Palestinians on the Libyan-Egyptian border. In coordination with UNHCR and an international non-governmental organization, UNRWA continued to monitor the situation, referred to in last year's report, of a group of as many as 250 Palestinians who were required to leave the Libyan Arab Jamahiriya and who were encamped at the Salloum crossing point on the Libyan-Egyptian border. In September 1996 and December 1996, the Agency participated in inter-agency

missions led by UNHCR to assess conditions in the camp and the status of refugees and to provide limited humanitarian assistance. On those occasions, the Agency monitored health conditions and camp sanitation, delivered safety and sanitation equipment and provided educational and recreational materials. The Libyan authorities relocated the group into the country and dismantled the camp in April 1997.

D. Income generation

58. UNRWA's income-generation programme continued to provide working capital loans at commercial interest rates to small businesses and micro-enterprises through field-based revolving loan funds, with the aim of creating employment, generating income and supporting sustainable business enterprises within the refugee community. During the reporting period, the programme's capacity was increased and its range of activities broadened.

59. Gaza field. In the Gaza Strip, where income-generation efforts were concentrated, the Agency targeted small businesses and micro-enterprises in the formal and informal sectors of the economy whose lack of collateral prevented them from obtaining credit through the formal banking system. To reach such enterprises, the Agency utilized a range of flexible collateral and guarantee mechanisms, including business plan-based lending and individual-, group- and cheque-guarantee methods, all backed by workable enforcement procedures. Those mechanisms enabled the Agency to lend to target groups at minimal risk, while increasing financial sustainability. Despite reduced donor contributions to the programme's capital base during the reporting period, the Gaza income-generation programme tripled the number of loans over the previous period. A total of 4,452 loans valued at $5.4 million were awarded, of which 66 per cent were provided to women borrowers. A local investment journal noted that the Agency's credit activity was beginning to influence Palestinian financial markets, a sign that its increasing scale was having macroeconomic consequences. Moreover, despite increasing growth in operating expenses over the past three years, the programme was able to continue to increase sustainability at an annual rate of 10 per cent, achieving 89 per cent coverage of operating costs by the end of 1996.

60. Small-scale enterprise programme. The Gaza income-generation programme was composed of four subprogrammes, of which three provided credit to specific target groups and the fourth provided small-business training. The small-scale enterprise (SSE) programme, the largest subprogramme, continued to make capital investment loans available to new and expanding businesses with a view to promoting sustainable job-creation, furthering import substitution, strengthening export-oriented manufacturing and services, supporting financial investment and capital formation in local businesses, and encouraging the participation of women in formal enterprise activity. During the reporting period, the SSE programme disbursed $1.4 million in loans valued between $3,000 and $70,000 to 102 businesses, creating or strengthening some 575 jobs. Loan recipients continued to be drawn from the manufacturing and service sectors of the economy, ranging from home-based industry to large-scale factory production. Among the recipient enterprises were a marble workshop, glass-printing firm, pottery workshop, screw manufacturer, restaurant, driving school, bag manufacturer, metal-casting workshop, electrical contractor and hairdressing salon. With an overall recovery rate of 97 per cent and a capital base of $8.4 million, the SSE programme was the largest and most successful non-profit credit programme in the Palestinian territories.

61. Solidarity-group lending programme. According to official Palestinian sources, the real unemployment rate in the West Bank and Gaza Strip was just under 50 per cent during the reporting period, with only 9 per cent of the total population steadily employed. As a result, many men and women were forced to eke out a living for themselves and their families through micro-enterprise ventures in the informal sector of the economy. To support women working in that sector, UNRWA's solidarity-group lending (SGL) programme in the Gaza Strip provided specialized credit intervention for economically vulnerable home- and street-based enterprises. During the reporting period, short-term loans worth $2.1 million were provided to 2,924 women, who supported some 14,869 dependants. Clients were organized into solidarity groups which served as the guarantee mechanism: as long as each member of the group was current in her repayments, all members were eligible for additional loans. As clients established reliable credit histories, they could apply for successively larger loans, with amounts ranging from $300 in the first loan cycle to $5,000 in the fifth. At mid-1997, the programme was delivering 325 loans per month with an average value of $254,000, while maintaining an annual repayment rate of 100 per cent.

62. Micro-enterprise credit programme. A related initiative was the micro-enterprise credit (MEC) programme, aimed at providing working-capital loans to meet the growing needs of the estimated 18,000 micro-enterprises in Gaza, which employed 40 per cent of the labour force. The MEC programme, established in February 1996, provided 1,426 loans worth $1.9 million during the period 1 July 1 1996-30 June 1997, while maintaining a recovery rate of 97 per cent. MEC loans were issued on an individual basis and were guaranteed by post-dated cheques. Loan terms were similar to those of the SGL programme: a four- to six-month repayment period over the first three loan cycles, increasing to nine months in the fourth cycle, with eligibility for larger loans from cycle to cycle. At mid-1997, the MEC programme was delivering 180 loans per month with a value of $220,000. The MEC and SGL programmes utilized the same capital base, which at mid-1997 was valued at $3.1 million. By the end of the year, the two programmes would together be able to provide 1,000 loans a month worth a total of $12 million per year, making them the largest source of micro-enterprise credit in the Palestinian territories.

63. Small- and micro-enterprise training programme. In addition to its credit activities in Gaza, the Agency offered a small- and micro-enterprise training (SMET) programme, which provided 29 small-business training courses to 603 participants on a range of topics including marketing, business communication, financial management, tax planning, feasibility studies, bidding and tendering, and construction planning. Like all activities of the income-generation programme, the SMET programme endeavoured to increase sustainability through cost recovery: some 50 per cent of direct costs were recovered through participation fees.

64. West Bank field. The income-generation programme in the West Bank resumed operations at full capacity, having undergone substantial restructuring in the previous year. The programme issued $1.3 million in loans to 106 small-scale enterprises, including a construction firm, medical clinic, handicraft workshop, bakery, furniture manufacturer and children's nursery. Additional project funding in the amount of $400,000 was received, increasing the programme's capital base to $2.4 million. The West Bank programme was preparing to launch a micro-enterprise credit programme similar to that in Gaza later in 1997, initially focusing on the Nablus area but subsequently extending to other areas of the West Bank.

65. Jordan and Lebanon fields. UNRWA also operated revolving loan funds for small-scale enterprises in Jordan and Lebanon, although on a smaller scale than in the West Bank and Gaza Strip. During the period 1 July 1996-30 June 1997, the Agency awarded 26 loans valued at $181,000 in Jordan, and 36 loans valued at $196,000 in Lebanon, achieving overall repayment rates of 96 per cent and 97 per cent, respectively. No new contributions were received to expand the capital base of those programmes, which at mid-1997 stood at $494,000 in Jordan and $325,000 in Lebanon.

E. Peace Implementation Programme

66. Objectives. UNRWA's Peace Implementation Programme (PIP) continued to contribute to the quality of life of Palestine refugees with generous support from donors. Launched in October 1993 following the signing by Israel and the Palestine Liberation Organization of the Declaration of Principles on Interim Self-Government Arrangements, PIP aimed to demonstrate the tangible benefits of the peace process through a comprehensive initiative to develop infrastructure, improve living conditions and create employment opportunities in refugee communities Agency-wide. In its fourth year, PIP remained the main channel for extrabudgetary project funding of activities carried out within the framework of Agency programmes for education, health, and relief and social services, as well as income generation. The infrastructure development component of PIP focused on construction or expansion of facilities to meet increasing demand for Agency services, maintaining or upgrading existing facilities to an adequate standard and improving housing and environmental health conditions in camps. PIP also allowed the Agency to meet urgent needs that it might otherwise have been unable to meet, and to prevent qualitative deterioration in programmes. The latter role was becoming increasingly significant because of the continuing shortfalls in the regular budget.

67. Implementation. During the reporting period, PIP funding enabled the Agency to complete construction of 13 schools, 6 additional classrooms, 11 specialized rooms, 4 health centres or points, 3 community rehabilitation centres, and a vocational training centre workshop, a distribution centre, a women's programme centre, a kindergarten/nursery and a secondary school built for the Palestinian Authority. The Agency rehabilitated 567 shelters of special hardship families and carried out comprehensive maintenance on 20 schools. Works to upgrade facilities were carried out on three vocational and technical training centres, two health centres and three women's programme centres, and a youth activities centre was renovated. Projects to improve camp infrastructure and services completed included an internal sewerage project in one camp in the West Bank, paving of pathways and drains in three camps in Jordan, improvements to water supply systems in three camps in the Syrian Arab Republic and one in Lebanon, construction of a pumping station in one camp in Gaza, installation of a new electricity network in one camp in the West Bank, and upgrading of solid waste disposal facilities at a number of camps in the Syrian Arab Republic and Gaza. Several other environmental health projects, including a major project for eight Lebanon camps, as well as construction of new premises for the Rehabilitation Centre for the Visually Impaired, were ongoing. Other PIP-funded activities included after-school recreation and emergency job creation programmes in the Gaza Strip; repatriation of residents of Canada camp in the Sinai peninsula to Gaza; a slow-learners programme and provision of computers for the tenth grade in Jordan; a poverty alleviation programme in the West Bank; and a vocational training course, a slow-learners programme, pre-school classes, special care for destitute persons, provision of prosthetic devices, and nursing training in Lebanon. PIP also helped to sustain regular Agency programmes

through provision of additional hospitalization assistance and medical supplies in Lebanon, additional teacher posts in the West Bank, funding of university scholarships for refugee students, and support for the income-generation programme. Cash expenditures under PIP were $54.0 million in 1996 - not including expenditures for the European Gaza Hospital project, contributions for which were recorded as PIP income - accounting for 16 per cent of total Agency expenditures during the year.

68. Status of funding. The Agency received $26.9 million in pledges and contributions for PIP projects during the reporting period, raising the total over the life of the programme from $192.6 million at 30 June 1996 to $219.5 million at 30 June 1997. Of the new funding, $10.5 million was for projects in the education sector, $8.3 million for the relief and social services sector, $7.2 million for the health sector, and $0.9 million for other categories. The Gaza Strip accounted for $18.5 million of the new funding, with $2.8 million for Jordan, $2.4 million for Lebanon, $2.2 million for the West Bank, and $1.1 million for the Syrian Arab Republic. A total of 310 projects had been funded from the inception of PIP through mid-1997. In view of the marked decrease in pledges and contributions compared to previous reporting periods, as well as financial constraints experienced by major donors and the establishment of new channels of implementation, the Agency assumed that funding for PIP had peaked. The focus of the programme would consequently shift towards completion of funded projects and development of a more targeted fund-raising approach reflecting Agency-wide priorities and provision of continuity in service.

III. FINANCIAL MATTERS

A. Fund structure

69. During the period 1 July 1996-30 June 1997, UNRWA received contributions and incurred expenditure against the following headings:

(a) Regular budget:

(i) General Fund;

(ii) Extraordinary measures for Lebanon and the occupied territory (EMLOT);

(b) Projects, or extrabudgetary activities:

(i) Peace Implementation Programme (PIP);

(ii) European Gaza Hospital project;

(iii) Move of Agency headquarters to the area of operations;

(iv) Expanded programme of assistance (EPA).

70. General Fund. The General Fund covered most costs incurred in the Agency's regular programmes in the education, health, and relief and social services sectors, as well as support functions such as administration, management, budget, finance, supply, transport, and technical and information services. The 1996-1997 General Fund budget also included a provision in the amount of $12.7 million per year to be set aside towards an estimated $127 million in termination indemnities payable to local staff upon the eventual dissolution of UNRWA.

71. Extraordinary measures for Lebanon and the occupied territory. Created in 1990 to provide emergency assistance to Palestine refugees in areas of special crisis, EMLOT was in the process of being phased out and would be discontinued at the end of 1997. During the reporting period, EMLOT activities were limited to operational functions and supplies in the West Bank and Gaza Strip.

72. Peace Implementation Programme (PIP). Funds received under PIP covered non-recurrent expenditures on projects to upgrade and extend basic infrastructure in the education, health and relief and social services sectors, as well as specific activities and support to the Agency's regular programmes undertaken on a project basis. (See paras. 66-68 for an overview of PIP activities.)

73. European Gaza Hospital. The hospital project account covered all costs incurred by the Agency in respect of the project, including construction, equipping and design, as well as administration and staff costs. Although contributions for the hospital were considered as PIP funding, they were internally budgeted and accounted for in the hospital account, which pre-dated PIP.

74. Headquarters move. The extrabudgetary account for the move of UNRWA's Vienna headquarters to the area of operations covered construction, shipping, staff and other costs incurred by the Agency in respect of the move, in

accordance with the wish of the Agency's donors that the move not be financed out of the regular budget.

75. Expanded Programme of Assistance (EPA). EPA, established in 1988 to improve living conditions in refugee camps and upgrade UNRWA's infrastructure in the occupied territory, and subsequently in the entire area of operations, was made redundant with the establishment of PIP. During the reporting period no new contributions were accepted under EPA.

B. Budget, income and expenditure

76. 1997 budget. During the reporting period, UNRWA operated under the General Fund budget for the 1996-1997 biennium approved by the General Assembly in December 1995 (see annex I, table 12). The total volume of the 1997 budget was $351.8 million, of which $312.0 represented the cash portion and $39.8 million the in-kind portion, mainly donations for the special hardship and the nutrition and supplementary feeding programmes. Although the 1997 budget volume was only 3.4 per cent higher than in 1996, despite natural growth in the refugee population and inflation, some allocations had to be reduced below budgeted amounts owing to funding shortfalls. The total cash and in-kind volume of the 1997 regular budget, comprising the General Fund and EMLOT, was $354.1 million.

77. Budget preparation. At mid-1997, preparation of the 1998-1999 General Fund budget proposal was under way. Through use of zero-base and incremental budgeting techniques within the framework of overall planning assumptions, the Agency was seeking to attain zero growth in budget volume, in contrast to the 5 per cent growth that had characterized previous years. At the request of donors and host authorities, a preliminary review of the budget was due to take place in September 1997. Subsequently, and consistent with past practice, the administrative and support cost aspects of the budget would be submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the entire budget reviewed by UNRWA's Advisory Commission. The biennial budget proposal would be submitted to the General Assembly at its fifty-second session as an addendum to the present report.

78. Income and sources of funding. Based on the provisional closure of accounts for the 1996 calendar year, total income under all funds on a cash basis was $316.6 million, of which $260.9 million was for the regular budget and $55.7 million was for projects. Voluntary contributions from Governments and the European Community accounted for $300.5 million, or 94.9 per cent, of total income (see annex I, table 11). Most of the income was received in cash, although $22.0 million (6.9 per cent) was received in kind, mainly as donations of food commodities. Other United Nations bodies provided $12.5 million (3.9 per cent of income) to cover staffing costs, including funding of 87 international posts by the United Nations and assistance from UNESCO and WHO in the staffing of the education and health programmes. The remaining 1.1 per cent of income was from miscellaneous sources.

79. 1996 expenditure. Based on the provisional closure of accounts for the 1996 calendar year, total Agency expenditure under all funds was $343.3 million, of which $258.7 million represented expenditures under the regular budget and $84.6 million was for projects. Net excess of expenditure over income was $26.7 million, although in many cases expenditure reflected disbursements of earmarked contributions received in previous years.

C. Current financial situation

80. UNRWA continued to face a critical financial situation characterized by large funding shortfalls for the regular budget and project accounts, continued enforcement of austerity measures and depleted working capital and cash reserves. The condition of structural deficit - a consequence of stagnant or declining contributions combined with natural growth in the refugee population and inflation, which increased the cost of maintaining a constant level of services - showed no sign of easing. The Agency ended 1996 with a fourth consecutive annual deficit in the regular budget, at which time it could be considered technically bankrupt.

81. Situation at 1 July 1996. The Agency began the 1 July 1996-30 June 1997 period operating under two rounds of austerity measures previously introduced in response to anticipated deficits: a February 1993 round representing $14.2 million in budgeted expenditure, and a June 1996 round in the amount of $9.0 million. Despite those measures, at mid-1996 a year-end core deficit of $9.3 million was estimated, the absolute minimum required for the Agency to complete the year without interruption of services. Taking into account the cost of restoring both rounds of austerity measures ($23.2 million), as well as the cost of funding the provision for termination indemnities ($12.7 million), the total amount required for the Agency to discharge its commitments and obligations in 1996 was $45.2 million. Delayed payment of contributions also created a severe cash flow problem, which if not resolved threatened to bring Agency operations to a standstill in October 1996.

82. September 1996 extraordinary meeting. In view of the gravity of the situation, the Commissioner-General convened an extraordinary meeting of major donors and host Governments at Amman on 23 September 1996. The Agency drew attention to the nature and magnitude of the financial crisis and its damaging impact on UNRWA's ability to carry out its internationally mandated obligations, and appealed for urgent assistance to resolve the immediate funding shortfall. It also proposed to enter into ongoing discussions with donors on a number of issues relating to the financial situation. Donors responded generously, announcing additional pledges of $15 million, of which $10.25 million was towards the 1996 regular budget and the remainder for project activities. Delegates expressed concern regarding the impact of the Agency's financial crisis on Palestine refugees and reaffirmed their commitment to UNRWA's mission. A special report of the Commissioner-General on the financial crisis of the Agency was issued subsequently (A/51/495).

83. 1996 regular budget. As a result of the additional contributions received, the Agency was able to cover the core deficit and avoid insolvency, recording a positive balance of $2.2 million in the cash portion of the regular budget in 1996. However, that result would not have been possible without a number of other actions by the Agency, including: (a) maintaining previously imposed austerity measures and introducing new ones, thereby not implementing certain activities included in the budget approved by the General Assembly and negatively affecting programmes; (b) not funding the provision for termination indemnities; and (c) a change in accounting procedures with regard to a $16.3 million contribution for purchase of food commodities. That change, made at the request of the donor and following discussion with external auditors, resulted in the entire contribution being recorded as 1996 income, with expenditure to occur in subsequent years. The Agency was also unable to make significant progress towards replenishing its working capital, which represented the difference between assets and liabilities in the regular budget. The working capital stood at $5.0 million at the beginning of 1997, dangerously low

in relation to the optimal level of one month's average expenditure ($22 million).

84. "Technical bankruptcy". When project accounts as well as the regular budget were taken into consideration, the Agency could be considered "technically bankrupt" at the close of 1996, as it would not be able to meet all financial obligations were it to cease operations. In recent years, the Agency had undertaken certain activities outside its regular programmes on the understanding that they would be fully funded through extrabudgetary contributions. However, shortfalls in funding had produced cumulative deficits in those accounts, which at 31 December 1996 amounted to $16.7 million for EMLOT, $7.2 million for the European Gaza Hospital project and $3.5 million for the headquarters move. In the absence of additional contributions, those deficits together would represent a $27.4 million obligation on the General Fund. The Agency had already been obliged to advance monies from the General Fund towards some of those activities to avoid even costlier penalties on certain projects and to maintain essential activities. Contributions under PIP could not be used to offset deficits in those accounts or in the regular budget, as they were earmarked for specific projects.

85. Extrabudgetary accounts. The cumulative deficits in extrabudgetary accounts had arisen for various reasons. Since the establishment of EMLOT, expenditures for essential ongoing activities budgeted under the account had exceeded income received. In view of the phasing out of EMLOT and the consequent likelihood that no additional contributions would be forthcoming, the Agency raised with donors at the June 1997 informal meeting (see para. 94) the possibility of absorbing the EMLOT deficit into the General Fund as a pragmatic solution. With regard to the hospital project, insufficient donor resources at particular points in the construction phase since 1993 had obliged the Agency to advance funds from other budget lines against expected pledges, to avoid delaying implementation and incurring even costlier penalties. Timely payment of outstanding cash and in-kind pledges as well as fresh contributions would be required to avoid adding to the regular budget deficit. It was hoped that that issue could be resolved in the context of discussions with the European Union and the Palestinian Authority regarding the hospital's future (see para. 210). As for the headquarters move, by the end of 1996 actual expenditures incurred in connection with the move were $14.0 million, as against total pledges and contributions of $10.5 million. Expenditure would exceed the agreed budget of $13.5 million for the move owing to a cost overrun of $1 million for the construction of a new headquarters building, resulting, inter alia, from repeated and prolonged closures of the Gaza Strip. The shortfall in funding together with the cost overrun obliged the Agency to advance $3.5 million from the General Fund towards expected move pledges, to complete the move on schedule. The Agency continued to seek funding for the move, particularly from Governments which had actively supported it but had not yet contributed.

86. Cash position. Outstanding cash pledges at 31 December 1996 under all accounts amounted to $93.5 million, of which $35.3 million related to the regular budget and $58.2 million to projects. In addition, the Agency had not yet been reimbursed by the Palestinian Authority in respect of payments made against value-added tax and port and related charges, which amounted to $13.0 million at the close of 1996. Those factors exerted further strain on the Agency's cash position, making it especially difficult to meet obligations on time towards the end of the fiscal year.

87. 1997 austerity measures. UNRWA began 1997 with no indication of an increase in income, cumulative deficits in several extrabudgetary activities,

depleted working capital and cash reserves, and a projected year-end deficit on the order of $40 million, after maintaining the February 1993 round of austerity measures and not including the provision for termination indemnities. In response, the Commissioner-General took early action to reduce expenditure by introducing a new round of austerity measures in February 1997, in the amount of $18.7 million for the year. Those measures included eliminating the provision for salary increases; eliminating the contingency reserve for the headquarters move; freezing certain vacancies; and significantly reducing allocations for temporary labour, vehicles, equipment, medical and other supplies, training, maintenance, hospitalization and travel. The February 1997 austerity measures reduced 1997 allocations in many of the same budget lines in which the June 1996 austerity measures had reduced 1996 allocations, but were even more extensive.

88. Broadening of donor base. The Agency also embarked on new initiatives, with the assistance of existing donor countries, to broaden its resource base and ensure that the entire international community was involved in supporting UNRWA programmes. In February and March 1997, the Commissioner-General visited Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates with a view to engaging in a comprehensive dialogue with Governments and non-governmental organizations regarding ways in which Agency programmes could be placed on a more sustainable basis. Several opportunities for strengthening cooperation were identified, and assurances were received that countries in the region would continue and in some cases seek to increase their support. The continuing support of the League of Arab States for UNRWA programmes, including its repeated appeals to member States to increase contributions to the Agency's regular budget and the personal support of the Secretary-General of the League, was particularly helpful in that context. The Commissioner-General also visited Brunei and Malaysia in May 1997 in an effort to actively engage south-east Asian countries, which had not historically had a relationship with the Agency.

89. Other fund-raising initiatives. Complementing those activities, the Agency worked to develop a corporate outreach programme with a view to obtaining additional in-kind donations. To that end, the Agency attended the Middle East and North Africa economic conference, held at Cairo in November 1996. Among the donations received were a one-year supply of the Agency's requirements for human insulin to treat diabetes in all five fields, and a donation of computer equipment for vocational training centres. The Agency established high-level contacts with an international non-governmental organization devoted to supporting sustainable development activities in the West Bank, the Gaza Strip and Lebanon, which subsequently formed a committee to support UNRWA. A special emergency appeal for assistance to Palestine refugees in Lebanon was also launched (see para. 20).

90. Outlook for 1997. Despite the efforts described above, at 30 June 1997 the Agency's financial situation remained bleak, with a projected deficit on the order of $20 million for 1997 and an acute liquidity crisis forecast for November 1997. The problem of cumulative deficits in extrabudgetary accounts had not yet been resolved.

91. Impact of austerity measures. The sustained imposition of austerity measures and repeated funding shortfalls since 1993 continued to exert an erosive effect on the quality of UNRWA services. The Agency was again unable to expand services at a rate commensurate with natural growth in the refugee population, leading to higher workloads for staff and overuse of facilities. In most fields it remained impossible to increase salary rates for local staff, despite the continued difficulty faced by the Agency in retaining qualified technical and other staff at the salaries it was able to pay. Cuts in

maintenance allocations led to early dilapidation of facilities and equipment, while cuts in travel and training allocations affected the ability of managers to provide technical guidance and support. Moreover, the Agency was unable to undertake certain planned activities and could not fund the provision for termination indemnities, although the indemnities represented a contingent liability on the Agency. (See also paras. 26, 39 and 56.)

92. Working Group on the Financing of UNRWA. UNRWA's continuing financial crisis and its implications were the subject of discussion in various forums. At a meeting on 14 October 1996, the General Assembly's Working Group on the Financing of UNRWA expressed deep concern at the financial crisis facing the Agency, particularly the depletion of its working capital and the emergence of a condition of structural deficit. The Working Group felt that the General Assembly must be more actively engaged in ensuring that UNRWA was given the resources it needed to fulfil the mandate that the international community had given it. While reaffirming the importance of prudent financial management, the Working Group urged Governments, particularly wealthier States in the region, to increase contributions and to consider making additional contributions to finance deficit amounts and to ensure that donor support of emergency-related and special programmes would not in any way decrease or divert contributions to the Agency's regular programmes. Previously, in response to the circumstances which had led to the convening of the September 1996 extraordinary meeting, the Working Group had convened a special informal meeting with a view to encouraging those present at the extraordinary meeting to provide additional assistance to the Agency.

93. General Assembly. In resolutions 51/124, 51/125 and 51/128 of 13 December 1996, the General Assembly reiterated its concern regarding the continuing severity of the Agency's financial situation. As in previous years, the Assembly noted with profound concern that the structural deficit problem confronting the Agency portended an almost certain decline in the living conditions of the Palestine refugees and that therefore had possible consequences for the peace process. Also as in previous years, the Assembly expressed deep concern about the effect of the critical financial situation of the Agency on the continuity of provision of necessary Agency services to the Palestine refugees, including the emergency-related programmes. In noting the success of PIP, the Assembly stressed that contributions to it should not be at the expense of the General Fund. The Assembly emphasized the continuing need for extraordinary efforts in order to maintain the activities of the Agency at least at the current minimum level, as well as to enable the Agency to carry out essential construction. The Assembly also commended the efforts of the Commissioner-General to move towards budgetary transparency and internal efficiency.

94. June 1997 informal meeting. At the informal meeting of major donor and host Governments, held at Amman on 10 and 11 June 1997, the Agency briefed delegates on its financial crisis, the state of "technical bankruptcy" and prospects for the future. In view of the possibility of adjustments to UNRWA programmes owing to lack of funds, and the potentially serious consequences of such adjustments for the welfare of Palestine refugees and stability in the region, the Agency proposed a joint approach with donors and host authorities with a view to strengthening the basis on which it carried out its mission. Acknowledging the link between regional peace and stability and the maintenance of UNRWA's role, the delegates reaffirmed that there could be no question of a premature phasing out of UNRWA's mandated responsibilities for the Palestine refugees. It was agreed that the way forward was to combine additional revenue-raising with internal savings on current operations and with better methods of

service provision. To that end, regular consultations would be held between the Agency, host authorities and donors with the aim of reaching agreed conclusions. In the absence of major contributions in the short term which would decrease substantially the Agency's structural deficit, the donor community as a whole was urged to re-examine positively their contributions in light of the discussions at the meeting, with a view to ensuring the continued provision of essential services to refugees at existing levels.

IV. LEGAL MATTERS

A. Agency staff

95. Arrest and detention of staff. There was a decrease in the total number of staff members arrested and detained throughout the area of operations, from 111 in the previous year to 44 in the 1 June 1996 to 30 June 1997 period (see annex I, table 10). Of the 44 staff members, 40 were released without charge or trial after relatively short periods of detention, leaving 4 in detention as at 30 June 1997, compared to 27 as at 30 June 1996. The overall decrease in arrests and detentions was attributable to a decrease in the number of staff members arrested and detained by the Palestinian Authority in the West Bank and Gaza Strip. In the Gaza Strip, 18 staff members were arrested and detained by the Palestinian Authority, compared with 93 the previous year. All but one were detained for relatively short periods. One staff member was arrested and detained by the Israeli authorities upon entering the Gaza Strip. As at 30 June 1997, none of those staff members remained in detention. In the West Bank, 9 staff members were arrested and detained by the Palestinian Authority, compared to 13 in the preceding period. One remained in detention as at 30 June 1997. The number of staff members arrested and detained by the Israeli authorities in the West Bank increased, from three in the preceding period to five in the 1996-1997 period; one remained in detention at the close of the period. The number of staff members arrested and detained in Jordan, Lebanon and the Syrian Arab Republic increased, from 2 in the preceding period to 11 in the 1996-1997 period. Six staff members were detained and subsequently released in Jordan; two others remained in detention. One staff member in Lebanon and two staff members in the Syrian Arab Republic were detained and subsequently released.

96. Functional protection of detained staff. With regard to the Agency's right to functional protection of staff members arrested and detained, the Agency was not always provided with adequate and timely information from the relevant authorities as to the reasons for the arrest and detention of its staff members. In the absence of sufficient information, the Agency was unable to ascertain whether the staff members' official functions were involved, bearing in mind the rights and duties flowing from the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations and the relevant staff regulations and rules of UNRWA.

97. Access to detained staff. In the Gaza Strip, the Agency experienced considerable difficulty in obtaining access to detained staff and was able to visit only three staff members detained by the Palestinian Authority. Access to staff members held by the Palestinian Authority other than at Gaza Central Prison was not possible, despite frequent representations to the relevant authorities. In the West Bank, the Agency obtained access to all staff members detained by the Israeli authorities and the Palestinian Authority. In Lebanon, access was not obtained owing to the short duration of detention. Despite continued requests to the Government, the Agency remained unable to visit staff members detained in the Syrian Arab Republic, nor were visits made to detained staff members in Jordan.

98. Treatment and state of health of detained staff. The treatment and state of health of staff members in detention continued to be of concern to the Agency, at least in part owing to the lack of access to detained staff members referred to above. In the Gaza Strip, there was a considerable decrease in the number of detained staff members who complained of mistreatment by the

Palestinian Authority. Mistreatment of other staff members was not an issue apart from three incidents of harassment of staff members by preventive security officers of the Palestinian Authority. In the West Bank, there were no complaints by staff members in detention or otherwise of mistreatment by either the Israeli authorities or the Palestinian Authority. In Jordan, Lebanon and the Syrian Arab Republic, there were no complaints by staff members in detention or otherwise of mistreatment by government authorities.

99. Freedom of movement of West Bank and Gaza staff. The procedures imposed by the Israeli authorities on security grounds to regulate entry to and exit from the West Bank and Gaza Strip, referred to in previous years' reports, continued, and new measures were imposed. Those procedures, described in greater detail below, included: systems of permits regulating the travel of local staff; closures of the West Bank and Gaza Strip; checkpoint controls and searches of Agency vehicles; the occasional imposition of curfews in the West Bank; and restrictions on travel across the Allenby Bridge. As a result of those procedures, movement of Agency staff and vehicles was considerably impeded and frequently prevented, with consequent disruptions to field and headquarters operations. Local staff, who comprised 99 per cent of all Agency staff in the West Bank and Gaza fields, were particularly affected. Constraints placed on UNRWA operations were not always consistent with the Agency's legal status. The Agency continued to make repeated representations to the Israeli authorities at all levels in an effort to ease the constraints, and those representations were on occasion responded to constructively. The efforts made by the European Union and some of its member States to facilitate the work of the United Nations in the West Bank and Gaza Strip were appreciated.

100. Closures of the West Bank and Gaza Strip. Following incidents of violence or as a preventive security measure, the Israeli authorities imposed full closure of the West Bank and the Gaza Strip on several occasions during the 1 July 1996-30 June 1997 period, lasting for a total of 111 days in the West Bank and 62 in the Gaza Strip. In the event of a full closure, Palestinians holding West Bank and Gaza Strip identity cards, including Agency staff, were prevented from leaving their area of residence and had their permits revoked without notice. In particular, following clashes between Israeli and Palestinian forces, the Israeli authorities imposed a full closure of the West Bank and Gaza Strip, accompanied by an internal closure of the West Bank and curfews on a number of West Bank localities, between 26 September and 15 October 1996. Closure was reimposed between 23 October and 17 November 1996 as a preventive security measure. Following an attack on an Israeli target, Ramallah was declared a closed military area from 11 to 17 December 1996, and following a suicide bombing in Tel Aviv, a full closure of the West Bank and Gaza Strip was imposed on 21 March 1997 and not effectively lifted until 30 April 1997. Closures of the Gaza Strip were also imposed on Israeli public holidays, and curfews were imposed by Israeli security forces in the West Bank on occasion. In addition to obstructing access of beneficiaries to services, closures and curfews prevented local staff from reaching their place of work and attending to their duties, necessitating redeployment of staff and negatively affecting provision of services. The 26 September closure, in particular, caused major disruption to Agency operations.

101. Permits for local staff. In general, Palestinians with local residency, including Agency staff, continued to be required to obtain permits from the Israeli authorities to travel between the West Bank and the Gaza Strip, or to enter Israel from either of those areas. Accordingly, the Agency continued to be required to seek to obtain standing or specific-use permits for its local staff as required in the performance of their duties. A significant proportion

of applications for standing or specific-use permits for Agency local staff were rejected by the Israeli authorities during the reporting period, at times on unspecified security grounds. In addition, a number of permit requests remained outstanding as at 30 June 1997, some for as long as a year. With regard to local staff with West Bank or Jerusalem residency, the Agency remained unable to obtain permits for senior staff and drivers to enter the Gaza Strip or for ambulance drivers and other key staff to be able to enter Israel on a 24-hour basis. The total number of standing permits held by Agency local staff as at 30 June 1997 was 320, as compared to 487 immediately prior to the imposition of the February 1996 closure (see para. 102), notwithstanding the increase in the number of local staff in the intervening period as a result of the relocation of Agency headquarters to Gaza. The permit system, by its nature, complicated and impeded the movement of Agency staff, gave rise to unpredictability and imposed a cumbersome administrative burden on the Agency, which continued to be required to maintain an extra administrative apparatus to obtain and renew permits of limited validity for several hundred of its staff.

102. Entry to Jerusalem. The majority of standing permits held by Agency local staff were held by staff with West Bank residency to enable them to reach their place of work at Agency facilities located in Jerusalem, in particular the West Bank field office, as well as eight schools and two health centres. As at 1 July 1996, none of those staff possessed standing permits enabling them to enter Jerusalem, following the cancellation of such permits with the imposition of a prolonged closure in February 1996. Standing permits for those staff were issued in phases beginning in July 1996, with a total of 303 permits held as at 30 June 1997. However, following the imposition of the closures of 26 September and 21 March, all permits held by such staff were revoked and subsequently had to be reissued. Attendance of staff at Jerusalem-area facilities was consequently affected, particularly at the field office, where two thirds of local staff held West Bank residency. Despite repeated requests, the Agency was unable to obtain standing permits for approximately 150 local staff with West Bank residency who required access to or transit through Jerusalem on a regular or ad hoc basis in the performance of their duties. Those staff had been issued standing permits prior to the closure imposed in February 1996.

103. Erez checkpoint. UNRWA vehicles continued to be subjected to internal and external search upon every exit from the Gaza Strip through the Erez checkpoint, the principal point of transit between the Gaza Strip and Israel. Search procedures were applied to all vehicles driven by international and local staff, with the exception of those carrying staff members with diplomatic status, who numbered 8 out of some 80 international staff stationed in Gaza. Although the Agency had in March 1996 exceptionally agreed to permit the survey of Agency vehicles driven by international staff exiting from the Gaza Strip as a pragmatic and temporary measure only, because of Israeli security concerns, search procedures at Erez remained in force at the same level throughout the reporting period. The establishment of a special lane at Erez for VIPs and international organizations and the Agency's acceptance of the use of magnetic cards aimed at expediting crossings did not prevent the search procedures continuing to result in time-consuming delays for Agency staff and, on occasion, damage to Agency vehicles. Despite a decrease in the average crossing time at Erez, from approximately one hour at mid-1996, to 30-40 minutes in late 1996, to 20 minutes in early 1997, the Agency objected to the search of its vehicles as a matter of principle and to the practical impediments to which that gave rise.

104. Allenby Bridge. There continued to be lengthy delays and search procedures at the Allenby Bridge for local staff and for international staff with local residency upon entry from Jordan. Such staff were also prevented from

travelling in UNRWA courier vehicles inside the confines of the bridge complex. A further measure imposed by the Israeli authorities in May 1997 restricted the days of the week and hours of the day that local staff could cross the Allenby Bridge from Jordan to the West Bank in transit to the Gaza Strip. Agency staff were required by the Israeli authorities to pay exit fees at the Allenby Bridge and at the Rafah crossing to Egypt. The Agency considered the payment of such fees to be contrary to the Convention on the Privileges and Immunities of the United Nations. In addition, the Agency remained severely limited in the number of vehicles it could use to transport international staff across the Allenby Bridge and was required to provide pre-notification for each crossing of an international staff member.

105. International drivers. Restrictions on the movement of local staff into and out of the Gaza Strip and to the Allenby Bridge and Ben Gurion Airport required the Agency to employ international staff as drivers to maintain sufficient transport facilities, including pouch and courier services, for its Gaza headquarters and field operations. The Agency incurred significant additional costs in respect of the five international drivers so employed, as compared to the costs of similar local posts. Gaza was the only field in which international drivers were employed.

106. International staff with local residency. International staff members holding Jerusalem, West Bank or Gaza identity cards continued to be refused service visas, and they required permits for travel between the West Bank, the Gaza Strip and Israel. A number of those staff members were refused permits by the Israeli authorities, in several instances on the basis of unspecified security considerations, with the result that they had to be redeployed to other duty stations by the Agency, contrary to its management priorities. The Agency considered, that, as a matter of principle, all of its international staff should be accorded equal treatment.

B. Agency services and premises

107. Provision of services. In view of the extent of UNRWA's operations and the large number of local staff it employed, restrictions on movement of Agency staff and vehicles imposed by the Israeli authorities on security grounds were a major and costly obstacle to the fulfilment of the Agency's mandate in the occupied territory. The range of constraints impeded the provision of services and gave rise to delays, inefficiencies and additional costs. Effects on operations included: short staffing of the West Bank field office and schools and health centres located in Jerusalem; backlog in procurement owing to insufficient numbers of permits; disruption in the distribution of relief supplies in the West Bank; lack of 24-hour access by ambulance drivers to Israeli and East Jerusalem hospitals; delays and additional costs in project implementation; inability of staff to reach their place of work at Agency schools, training centres, health centres, administrative offices and other workplaces; inability of refugee beneficiaries to reach Agency installations; inability of Gaza students to attend courses at West Bank training centres (see para. 204); delays in the transport of supplies between the West Bank and the Gaza Strip; inability of senior local staff in the West Bank to visit their counterparts in Gaza; and temporary closure of Agency schools in the West Bank owing to curfews. (See also paras. 180 and 187.)

108. Functioning of headquarters. Israeli security-related measures also posed a significant obstacle to the effective functioning of Agency headquarters in Gaza, in the first year after its relocation there from Vienna in July 1996.

Although unrestricted movement of persons and goods was essential to the managing and coordinating role of headquarters, communication between the Gaza headquarters and the Agency's Amman headquarters, as well as with field operations, remained problematic throughout the reporting period. Restrictions at the Erez checkpoint and the Allenby Bridge caused particular difficulties in that regard.

109. Import of goods. The delays in importing supplies and other materials experienced by the Agency during the previous year continued following the closures described above, leading to delays in the completion of projects and additional costs to the Agency. Local staff with West Bank or Jerusalem residency continued to be prohibited from driving Agency trucks into the Gaza Strip unless accompanied by an international staff member. As a result, either the Agency had to send trucks from the Gaza Strip to the West Bank to pick up loads or Gaza drivers had to be substituted at the Erez checkpoint. Moreover, Agency trucks were subjected to lengthy and erratic search procedures, with the Israeli authorities sometimes demanding the unloading of goods despite previous assurances that that would not be necessary.

110. Legal advice and assistance. The Agency continued to provide legal advice and assistance, in particular for refugees applying for family reunification to the Gaza Strip. The Agency also responded to an increased number of requests for confirmation of refugee status from registered refugees and from governmental and non-governmental organizations worldwide. Efforts to support initiatives directed at the development of legal infrastructure in the area continued. Financial assistance was provided to the law centre at Bir Zeit University in Ramallah, and three scholarships were financed for the centre's master of arts programme in law. Priority in awarding the scholarships was given to Palestine refugees, in particular those in the Gaza Strip. However, only one recipient received a permit enabling him to travel to the West Bank to participate in the programme.

111. Incursions into installations. There were four incursions into UNRWA installations by members of the Israeli security forces or police in the West Bank field, while in the Gaza field there was one such incursion. In Lebanon, soldiers entered UNRWA premises on two occasions, in each of which clear representations were made by the Agency.

112. House demolitions. In the West Bank village of Sourif, four houses were demolished by the Israeli authorities for punitive reasons during the period 16 to 22 April 1997. While no refugee shelters were reported to have been demolished, a considerable number of dwellings outside camps were demolished on the grounds that proper building permits had not been obtained. In the West Bank, 49 dwellings were demolished by the Israeli authorities, compared with 56 in the previous year.

113. Construction of facilities. The construction of an urgently needed new UNRWA school in the West Bank village of Beit Sourik was halted by the Israeli authorities on the grounds that the building permit issued by the Palestinian Authority was invalid as the site was located some 50 metres inside area C, the area under full Israeli control according to the Israeli-Palestinian Interim Agreement on the West Bank and Gaza Strip of September 1995. The Agency appealed to the relevant authorities to allow it to complete the school as soon as possible. Though activation of a proposed demolition order was suspended, no definitive response had been received by mid-1997. A new school in the West Bank village of Abu Dis was demolished by the Israeli authorities on 8 May 1997 because of an administrative planning error by Israel. However, the Agency was

subsequently compensated in full. On a number of occasions, the Agency had to delay construction work on schools for considerable periods of time while awaiting final decisions on the part of the Israeli authorities enabling construction to commence or continue.

114. Initiation of criminal proceedings. The Agency requested the Israeli authorities and the Palestinian Authority to initiate criminal proceedings against a former staff member in a case of misappropriation of funds from the Agency's scheme of hospitalization subsidies for Palestine refugees in the West Bank. At mid-1997, no action had yet been taken by the authorities against the former staff member.

115. Immunity from legal process. The Palestinian Authority justice department affirmed in March 1997, in an instruction to courts in the West Bank and Gaza Strip, that UNRWA was immune from all forms of legal process, in accordance with the agreement dated 5 July 1996 between UNRWA and the Palestinian Authority regarding the location of UNRWA headquarters in the West Bank and Gaza Strip area.

116. Reimbursement by the Palestinian Authority. By 30 June 1997, the Agency had not yet been reimbursed by the Palestinian Authority in respect of either payments made against value-added tax or port and related charges for supplies destined for the West Bank and Gaza Strip, claimed from the Authority in accordance with the provisions of the 24 June 1994 exchange of letters between the Commissioner-General of UNRWA and the Chairman of the Palestine Liberation Organization. The total amounts outstanding at 30 June 1997 were $12.9 million in respect of value-added tax and $2.7 million in respect of port and related charges.

C. Claims against Governments

117. UNRWA regretted that no progress was made with regard to its various claims against Governments.

V. JORDAN

118. UNRWA maintained an excellent relationship with the Government of Jordan, characterized by close cooperation in many areas and active government support for Agency activities. The refugee population in Jordan, the largest of any Field, enjoyed full access to government services on the basis of citizenship and benefited from government and international efforts to improve socio-economic conditions. An example of the latter was the Community Infrastructure Project, which aimed to improve living conditions of the poor through upgrading of physical and social infrastructure, as part of the Government's Social Productivity Programme to lift all households above the poverty line. Works in refugee camps would be carried out in coordination with UNRWA. The Government reported expenditures on behalf of Palestine refugees and displaced persons of $345.1 million during the period from 1 July 1996 to 30 June 1997, mainly for education, rent and utilities, subsidies and rations, camp services, health care, public security, and social services. The Agency's 1997 regular programme budget for Jordan was $73.8 million.

A. Education

119. Elementary and preparatory schooling. The 198 UNRWA schools in Jordan accommodated 145,633 pupils in the six-year elementary cycle and four-year preparatory cycle in the 1996/97 school year, a decrease of 2,371 pupils compared to the previous school year. The noticeable drop in enrolment, for the third consecutive year, resulted from movement of refugee families from Jordan to the West Bank and Gaza Strip and the transfer of refugee pupils from UNRWA to government schools, which offered a shorter school week - five days, as compared to six in UNRWA schools - and a far lower rate of double shifting - less than 10 per cent, as compared to 93 per cent in UNRWA schools, the highest Agency-wide. The Agency was obliged to convert two schools from single to double shifts at the beginning of the 1996/97 school year to accommodate increasing enrolments in certain locations where no government schools existed and where funds were not available to construct new schools and classrooms.

120. Education infrastructure. Although Peace Implementation Programme (PIP) contributions had enabled UNRWA to replace all dilapidated prefabricated school premises in the Jordan field with new Agency-standard buildings, the poor condition of other school buildings posed significant problems. Six Agency school buildings built in the 1950s and 1960s - five at Irbid camp and one at Ashrafieh, together housing 12 administrative schools - and two rented buildings - at Wadi el-Rayyan housing two administrative schools - were declared structurally unsound and unfit for use. The Ashrafieh schools were temporarily housed in a nearby government school pending construction of a new building, and some rooms of the Wadi el-Rayyan building were evacuated. Project proposals to replace the unsafe buildings without delay were presented to prospective donors, and funding for the replacement of the Irbid camp schools was secured. The Wadi el-Rayyan municipal council donated a four-dunum site for the construction of a new building to replace the unsafe premises. Project contributions allowed the Agency to construct eight classrooms, ten specialized rooms and one toilet block, with construction of one specialized room and three toilet blocks under way at mid-1997. To meet the computer science requirement for the fourth preparatory grade, contributions and in-kind donations were being sought to build and equip computer rooms in schools which lacked them.

121. Special education. The special education programme in Jordan, funded through a project contribution, continued to provide additional teaching resources, and opportunities to integrate into mainstream schooling, for children with special needs in the lower elementary cycle. The programme provided eight special education centres through which 500 slow learners were integrated into the regular education programme, 17 remedial classes which assisted 300 children with learning difficulties, and five special class sections for 20 deaf children. The Agency was seeking additional project funding to enable the programme to continue, as financial constraints prevented the extrabudgetary cost of the programme from being absorbed into the regular budget.

122. Vocational and technical training. A total of 1,250 trainees, including 452 women and 448 boarding students, were accommodated in 16 trade course and 12 technical/semi-professional training courses at Amman Training Centre and Wadi Seer Training Centre during the reporting period. The Agency, in cooperation with a non-governmental organization, offered four short-term vocational training courses of 12 to 20 weeks' duration in electrical wiring, building decoration, plumbing and auto electrical systems, benefiting 48 trainees. At Wadi Seer, a new workshop was constructed for the finishing and decorating course and library holdings were expanded. Agency trainees continued to excel in the comprehensive examinations for community colleges administered by the Jordanian Ministry of Higher Education, attaining pass rates of 92 per cent at Amman Training Centre and 96 per cent at Wadi Seer Training Centre, as compared to national averages in corresponding subject areas of 71 and 70 per cent, respectively.

123. Educational Sciences Faculty. The Educational Sciences Faculty (ESF) at the Amman Training Centre reached full capacity during the 1996/97 school year, providing in-service training to 619 UNRWA teachers, including 164 women, and pre-service teacher training to 257 secondary-school graduates, including 207 women. In August 1996, the first group of 146 in-service trainees was awarded a bachelor's degree in education, with a specialization in classroom teaching. Another 68 pre-service students and 23 in-service teachers completed their requirements at the end of the fall 1996 semester, graduating in January 1997 with the same degree. The Jordanian Ministry of Education granted special accreditation to the Arabic language and classroom teaching specializations offered at the Faculty in August and September 1996, respectively. In a national science competition in which 16 Jordanian colleges and universities participated, the Amman ESF was awarded third prize for a project to develop a database of mathematics test questions. The Agency's regular in-service training programme offered four courses which benefited 96 education staff during the reporting period.

124. University scholarships. University scholarships were awarded to 289 Palestine refugee students, including 110 women, who had excelled on their general secondary examinations.

B. Health

125. Primary care. UNRWA health-care services for Palestine refugees in Jordan were delivered through 13 health centres, four health points and six mother and child health centres, all of which provided family planning services. Of those facilities, 21 contained laboratories, 17 provided special care for non-communicable diseases, 17 provided dental care and 1 operated radiology and physiotherapy units. Three mobile dental units provided community oral health

services. Specialist care comprising gynaecology and obstetrics, internal medicine, cardiology and ophthalmology was provided through a weekly rotating schedule whereby pre-screened patients were referred by health centre medical officers for further assessment and management.

126. Secondary care. In Jordan, where the Agency did not maintain contractual agreements for hospitalization of refugee patients, assistance towards secondary care was provided through a reimbursement scheme which covered part of the medical expenses incurred by refugees for their treatment at government hospitals or, in the case of genuine emergencies, at private hospitals. The gap between increasing demand and limited budget allocations necessitated measures to contain expenditure, inter alia, through discontinuation of individual subsidies towards treatment at private hospitals, including care such as renal dialysis, effective August 1996. While those measures reduced the deficit, their implications for the health and well-being of the refugee population remained to be evaluated.

127. Measles outbreak. A measles outbreak occurred beginning in February 1997, reaching its peak in April but not fully subsiding by the end of June. A total of 6,660 cases were reported country-wide by mid-1997, of whom 222 were Palestine refugees diagnosed in UNRWA health centres. The outbreak affected mainly children aged 10 and above, including those previously immunized, suggesting a shift in the incidence of the disease from infancy and early childhood towards older age groups. The outbreak reaffirmed the need to implement the WHO policy of introducing into the national immunization programme a booster dose of measles vaccine at age 15 months to reinforce the immunity acquired through primary vaccination. The Agency had adopted that policy in 1995 by integrating measles, mumps and rubella vaccine into its expanded programme on immunization.

128. Cooperation with the Jordanian Government. The long-standing cooperation between UNRWA and the Jordanian Ministry of Health continued to cover a wide range of public health activities, including immunization, family health, surveillance of communicable diseases, development of human resources for health, quality assurance of essential drugs, participation in national health surveys and in-kind donation of hepatitis B vaccine. In collaboration with UNICEF, the Ministry conducted a study in selected government and Agency health centres to assess the quality of case management of acute respiratory infections in children under five years of age. The study confirmed the need for further training of health personnel based on WHO manuals.

129. Health infrastructure. Expansion and renovation of a health centre at Baqa'a camp and expansion of a health point at Kraymeh were completed. Work continued on construction of a health centre to replace the old, unsatisfactory premises at Zarqa camp and a health point at Waqqas, both of which were expected to become operational in 1998.

130. Environmental health. The first and second phases of a $1 million project for construction of pathways and drains in 10 camps, covering works in Baqa'a, Husn and Jerash camps, were completed, and the first phase of another pathways and drains project at Husn camp was completed in July 1996. With project funding, Baqa'a, Irbid and Marka camps were provided with four refuse compactor trucks, which became operational in September 1996. A number of projects for the pavement of pathways in various camps, financed by the Department of Palestinian Affairs and implemented by camp improvement committees in coordination with UNRWA, were completed. The Jordanian Water Authority renovated the water supply network at Jabal el-Hussein camp and was in the

process of constructing a sewerage system in Souf camp, due to be completed by the end of 1997, which would bring the number of camps in Jordan connected to main municipal/regional sewerage networks to 7, out of 10.

C. Relief and social services

131. Refugee registration. At 30 June 1997, the Palestine refugees registered with UNRWA in Jordan numbered 1.41 million, an increase of 3.7 per cent over the 30 June 1996 figure of 1.36 million. The rate of increase was significantly lower than in recent years, although still higher than natural population growth, suggesting that most refugee families who wished to had updated their registration records (see para. 47). The refugee community in Jordan was the largest of any field, accounting for 41.4 per cent of all refugees registered with the Agency.

132. Special hardship programme. Jordan continued to have the lowest percentage of refugees enrolled in the special hardship programme of any field - 2.5 per cent as compared to an Agency-wide average of 5.4 per cent. The low percentage resulted from the relatively favourable living conditions of refugees in Jordan and the services to which they were entitled by virtue of Jordanian citizenship. The 3.2 per cent annual increase in the number of special hardship cases - 35,427 at 30 June 1997, as compared with 34,335 at 30 June 1996 - approximated estimated population growth. Emergency financial assistance was provided in March 1997 to two families whose shelters and household effects had been severely damaged by heavy rains and flooding.

133. Shelter rehabilitation. With project funding, the Agency rehabilitated the shelters of 53 special hardship families during the reporting period. Additional contributions were being sought to meet identified shelter rehabilitation needs of 1,000 special hardship families in Jordan, after austerity measures eliminated budget allocations for that purpose.

134. Poverty alleviation. A community savings and loan scheme serving mainly women was established in Zarqa camp, increasing the number of such schemes in Jordan to six. Management of two schemes, in Jerash camp and Amman New Camp, was transferred to local committees. Agency staff participated in efforts to establish a national credit coalition to strengthen support for small business and micro-enterprises run by women.

135. Women-in-development. While all 21 women's programme centres in Jordan were under full community management, three achieved sufficient income during the reporting period to become independent of the Agency's financial support, bringing the total in the field to four. The premises of the wool-spinning enterprise at the Jerash centre were extended, enabling the 70 women participants to expand their business. A local institute provided training in financial management for the recently established food production unit at Jabal el-Hussein centre. Following a successful pilot project, the 11-month sewing course was replaced at all centres with two six-month fee-based courses in basic and advanced sewing techniques, more geared to market demands. The legal advisory bureaus at the Amman New Camp and Jabal el-Hussein centres continued to offer individual consultations and legal assistance lectures for women. Women working in the recently established kindergartens and nurseries at the Husn and Souf centres were trained in early childhood development and programme management. Training was arranged for kindergarten workers at all centres in reading and writing techniques for pre-school children. Two rooms were constructed for the kindergarten at the Jerash centre to meet increased demand.

136. Community rehabilitation. The nine community rehabilitation centres in Jordan prepared new class sections for children with motor disabilities. Construction of new premises was completed for the Talbieh centre and commenced for four other centres. New units providing special sessions for hearing-impaired children enrolled in mainstream education programmes were introduced at Agency schools in Irbid and Talbieh. The centres were supported by specialists from non-governmental organizations, who provided services and helped train volunteer rehabilitation workers in basic disability issues, general rehabilitation skills, prevention of disability, and motor disabilities in children. The Baqa'a, Irbid and Marka centres finalized by-laws. The Higher Coordinating Committee of Community Rehabilitation Centres was developing a proposal for a self-sustaining trust fund to support all such centres in Jordan.

VI. LEBANON

137. The Palestine refugee population in Lebanon continued to suffer from extremely poor living and housing conditions, unemployment rates on the order of 40 per cent, reduced purchasing power, and restrictions in many sectors of economic activity and on mobility. UNRWA remained the main provider of education, health, and relief and social services to Palestine refugees in Lebanon, who lacked access to government health services, including hospitalization, and had rather limited access to public education. In view of the critical situation facing refugees in Lebanon and the difficulty faced by the Agency in meeting their needs, a special emergency appeal was launched to provide increased assistance in 1997-1998 (see para. 20). The security situation in Lebanon remained affected by the ongoing situation in south Lebanon and occasional incidents elsewhere in the country, although Agency operations were not disrupted. The Agency continued to maintain a most constructive relationship with the Government of Lebanon, which reported expenditures on behalf of Palestine refugees of $4.4 million during the period 1 July 1996-30 June 1997 for administration, education and housing, with additional expenditures for health and other services. The Agency's 1997 regular programme budget for Lebanon was $39.2 million.

A. Education

138. Elementary and preparatory education. The 73 UNRWA schools in Lebanon accommodated 37,969 pupils in the 1996/97 school year. The increase in enrolment of 1,471 pupils over the previous year resulted from natural growth in the refugee population as well as the transfer of some refugee children from tuition-based private schools to Agency schools without charge. The core of the Agency's basic education programme in Lebanon consisted of the six-year elementary and four-year preparatory cycles. In the annual Brevet examination for students at the fourth preparatory level, held in July 1996, Agency pupils achieved a pass rate of 59 per cent, down from 66 per cent in the previous year. Half of the Agency schools operated on double shifts.

139. Education infrastructure. Construction was completed on two school buildings in Beddawi camp to replace rented premises which lacked adequate classroom space and other facilities. The larger capacity of the new buildings enabled the Agency to reduce the number of administrative schools by one through consolidation, with resulting recurrent cost reduction. At mid-1997, work was under way on construction of two more schools to replace dilapidated premises and 13 classrooms to avoid triple-shifting, and on comprehensive maintenance of three schools. Construction of two prefabricated buildings in Burj el-Barajneh, originally scheduled to commence in mid-1996 but postponed repeatedly owing to cost increases and problems relating to the site, was due to begin in 1998. One of those buildings would replace unsatisfactory rented premises used by the Galilee secondary school (see para. 141). As the Lebanon field had the highest proportion (42.5 per cent) of administrative schools housed in unsatisfactory rented premises, there was a special need for new education infrastructure. The limited classroom space available in rented buildings kept the classroom occupancy rate low (38.7 pupils) although conditions remained cramped. The Agency remained concerned at the possible financial implications of a rent law promulgated the previous year which, if fully applied to UNRWA, could lead to a dramatic increase in rental costs paid by the Agency, particularly for schools.

140. Special education. The Agency continued to offer remedial education programmes to overcome the cumulative negative consequences of disruptions to the education process during the prolonged civil conflict and camps war in Lebanon, which had adversely affected pupils in Agency schools to a greater degree than pupils in government and private schools. Sixty children with learning difficulties benefited from two remedial classes at slow-learners centres established at the Ein el-Hilweh school compound. Ongoing measures included regular administration of achievement and diagnostic tests to identify areas of weakness, and compensatory measures such as extra supervision by education staff and additional class periods offered by teachers on a voluntary basis.

141. Secondary education. Lebanon remained the only field in which the Agency offered secondary-level education, as a result of limited access of Palestine refugees to government schools and the prohibitively high cost of private schools. The Agency's only secondary school, the Galilee school in Burj el-Barajneh, accommodated 333 students in grades 11 to 13, exceeding its capacity of 300 and necessitating one of the 13 class sections to be accommodated in a nearby school building. The first group of 30 Galilee school graduates were awarded accredited baccalaureate II certificates in August 1996, finishing students having obtained a pass rate of 67 per cent on the general secondary examination. The Agency continued to seek project funding to meet the continuing high demand for secondary-level education among Palestine refugees in Lebanon. Funding was received for the construction, equipping and initial operating costs of another secondary school, at Ein el-Hilweh camp in the Saida area, which would replace an existing unaccredited secondary school for refugees. Scheduled to open in September 1997, the school would be temporarily housed in an existing Agency school building pending construction of the new premises. Efforts continued to obtain funding for a similar project for a secondary school at Rashidieh camp in the Tyre area, which would also replace an existing unaccredited school.

142. Vocational and technical training. The Siblin Training Centre provided vocational and technical training to 574 trainees, of whom 138 were women and 180 boarding students, in 13 post-preparatory trade courses and six post-secondary technical/semi-professional courses. Two five-month courses in concrete-forming and tile-setting, made possible through project contributions, were continued in 1996/97 with an enrolment of 33 trainees. A survey of the centre's 1995 graduates revealed that 91 per cent of trade graduates, 86 per cent of semi-professional and technical graduates and 80 per cent of hairdressing graduates had found employment. With project funding, the Agency upgraded the equipment used in several training courses, renovated and equipped a materials testing laboratory, improved the centre's security and constructed a new water well. The Agency also sponsored, with project funding, 25 Palestine refugee students in a nursing course at a private college in Beirut.

143. In-service training. Seventy-nine teachers benefited from four courses offered through the Agency's regular in-service teacher training programme. Owing to difficulties faced in recruiting elementary teachers in possession of a two-year teacher training diploma, the Agency decided to establish a two-year pre-service teacher training course at Siblin Training Centre, beginning in October 1997.

144. Kindergartens. The four French-language kindergartens introduced in the 1995/1996 school year through project funding continued to operate, with a new intake of pupils expanding enrolment from 161 to 277 children.

145. University scholarships. Merit-based university scholarships were awarded to 111 Palestine refugee secondary school graduates, including 33 women. Owing to additional project funding, the Agency was able to increase the number of scholarships awarded by 34 over the previous year.

B. Health

146. Primary care. UNRWA remained the main provider of health care for the 359,000 refugees in Lebanon. Access to public sector health services was restricted by a public health infrastructure that was still developing, and refugees were for the most part unable to afford the high cost of private care. Agency services were provided through 18 health centres and six health points offering comprehensive medical care, including family health services, as well as one mother and child health centre. Of those facilities, 24 offered special care for management of diabetes mellitus and hypertension, 17 provided dental care, three had X-ray facilities and 15 offered specialist care in cardiology, obstetrics and gynaecology, paediatrics, ophthalmology and treatment of ear, nose and throat diseases.

147. Secondary care. Hospital care was provided to refugees in Lebanon through contractual arrangements with 12 private general, mental and tuberculosis hospitals. Steadily rising costs and the wide gap between the minimum needs of the refugee population and the Agency's available resources continued to place severe pressure on the hospitalization programme and made provision of sufficient hospital care a priority health concern in the field. Extrabudgetary contributions received in late 1996 made it possible to cover hospitalization needs for the 1996-1997 biennium, as well as requirements of medical supplies, but reductions in service standards would be inevitable if additional contributions were not received for future years. Co-payments for specialized surgery and treatment, including for some life-saving cases, were already 50 per cent above equivalent rates in other fields, and two thirds of all refugee patients Agency-wide who were assisted to meet the cost of specialized emergency life-saving treatment were from the Lebanon field.

148. Health infrastructure. Construction of a new health centre at Burj el-Shemali to replace unsatisfactory premises and renovation of the Nahr el-Bared health centre and Shehim health point were completed. A detailed design was completed for construction of a health centre in Beirut.

149. Environmental health infrastructure. Work proceeded on the 8.6 million ECU project to improve sewerage, drainage and water supply systems in eight refugee camps in Lebanon. Phase one of the project, comprising feasibility studies and preparation of detailed technical designs by a consultant, was completed in April 1997. It was decided to substitute Wavell camp for Dbayeh camp for reasons related to the future status of the latter. Work on the construction phase was due to start soon after 30 June 1997, once tendering procedures were completed.

150. Other environmental health initiatives. Following efforts by UNRWA, Burj el-Barajneh camp was connected to a Beirut municipal water supply source, and four booster pumps and a new drinking water distribution network were installed in cooperation with the camp committee. Improvements to environmental health services in various camps, some carried out in cooperation with camp committees, included installation of six new water chlorinators, installation of 1,250 metres of water pipes and reconstruction of 500 metres of sewer pipes, as well as pavement of 1,400 square metres of pathways in El-Buss and Ein el-Hilweh

camps. In response to acute water shortages in Wavell camp in late 1996 because of depletion of the water table, UNRWA rationalized pumping from two camp wells, deepened a third well and distributed water by tanker truck until water supplies were restored. Extensive flooding in Shatila camp in January and February 1997 because of a blocked municipal sewer line was an example of the poor environmental health conditions in camps generally.

C. Relief and social services

151. Refugee registration. The number of Palestine refugees registered with UNRWA in Lebanon increased from 352,668 at 30 June 1996 to 359,005 at 30 June 1997, a 1.8 per cent increase, which was well below natural population growth. The small increase could be attributed to socio-economic difficulties which delayed marriages and thereby lowered birth rates, combined with the high proportion of refugees living outside the country and hence unable to register new family members. As part of the unified registration system, the basic registration database was installed at the last of five area offices in Lebanon, with a consequent increase in efficiency and a saving of staff costs.

152. Special hardship programme. Lebanon continued to have the highest proportion of refugees enrolled in the special hardship programme of any field - 10.2 per cent - reflecting the extreme socio-economic difficulties facing the refugee community which, inter alia, reduced the income-earning potential of extended families. A particularly large number of refugee families were exceptionally admitted to the programme on grounds of insufficient income or the temporary incapacitation of the income earner. Consequently, the absolute number of special hardship cases increased - by 3.2 per cent, from 35,382 at 30 June 1996 to 36,511 at 30 June 1997 - for the first time since stricter application of eligibility criteria was introduced in 1995.

153. Shelter rehabilitation. The Agency completed rehabilitation of 103 shelters of special hardship families, of which 94 were funded under the Peace Implementation Programme. Nevertheless, at mid-1997 over 4,000 refugees enrolled in the special hardship programme and living in camps continued to inhabit shelters which failed to meet minimum standards, and numerous families were living outside camps in similar or worse conditions. The Agency continued to seek funding to rehabilitate those shelters. With project funding, construction commenced on a project at Beddawi camp to accommodate 52 displaced and impoverished refugee families, comprising 268 persons, who had been squatting in shacks in an UNRWA school compound. The first phase was completed in June 1997, and the initial group of families was due to occupy units soon after. Agency social workers assisted the families to form residents' committees which would assume responsibility for managing the facility.

154. Poverty alleviation. Soft loans averaging $3,000 were provided to 21 families to establish small businesses, of which 19 were able to attain sufficient income to be removed from the special hardship rolls by mid-1997. Consisting of 70 per cent grant and 30 per cent loan, the soft loans were repayable with a 5 per cent service charge over 12 to 24 months. The Agency also awarded mini-loans from a revolving loan fund to 36 refugee families near the poverty line. The loans, ranging from $500 to $3,000, were fully repayable on terms similar to those for soft loans. Although efforts to alleviate poverty through credit provision were constrained by restrictions on Palestinian economic activity, demand for micro-enterprise loans continued to exceed available resources.

155. Women-in-development. With the formation of a new managing committee at a women's programme centre, all 11 centres in Lebanon were under community management. Three income-generating projects were established: sewing accessory shops at the Wavell and Nahr el-Bared centres and a wedding dress rental service at the Beddawi centre. The knitting production unit at Nahr el-Bared was relocated to the women's programme centre at the camp following marketing and internal management problems. The women's committees organized fee-based short courses ranging from machine-knitting to computer skills, as well as supplementary tutoring for school pupils.

156. Community rehabilitation. A consortium of non-governmental organizations, community representatives and UNRWA staff was formed to promote community-based rehabilitation in Beddawi and Nahr el-Bared camps. Problems encountered in the functioning of the local committee at the Nahr el-Bared community rehabilitation centre were being dealt with by adding active new members to the existing committee. Rehabilitation workers nevertheless succeeded in expanding home outreach activities for disabled children. Integration of visually impaired children at a non-governmental kindergarten in Ein el-Hilweh camp into mainstream schooling was assisted by a contribution towards the cost of Braille equipment, tape recorders and teacher training. Another 34 disabled children throughout the field were enrolled in UNRWA elementary and preparatory schools, and one was enrolled in kindergarten. Disabled children were among 1,500 who enjoyed a programme of activities in summer 1996 arranged with international non-governmental organizations in the Saida, Tyre and north Lebanon areas.

VII. SYRIAN ARAB REPUBLIC

157. The usual high degree of cooperation between UNRWA and the Government of the Syrian Arab Republic suffered a temporary setback in November 1996 owing to a misunderstanding on the rate of exchange accorded to the Agency for the conversion of United States dollars to Syrian pounds, following the introduction of a more favourable rate in January 1996. The Government subsequently agreed that the Agency should receive the more favourable rate effective January 1997, but submitted a claim in respect of the differential accrued during 1996. As a result of the misunderstanding, the Agency was temporarily unable to obtain local currency, leading to interruption of some services and delays in payment of December 1996 and January 1997 salaries to local staff. Nevertheless, the Agency continued to cooperate closely with the Syrian authorities in providing services to refugees. The Government reported expenditures on behalf of Palestine refugees of $40.1 million during the period 1 July 1996 to 30 June 1997 for education, social services, health care, housing and utilities, security, supply costs, administration, and other services. The Agency's 1997 regular programme budget for Syria was $27.3 million.

A. Education

158. Elementary and preparatory education. The 110 UNRWA schools in the Syrian Arab Republic accommodated 63,979 pupils in the six-year elementary cycle and three-year preparatory cycle in the 1996/97 school year. The increase in enrolment of 1,933 pupils over the previous year resulted from natural growth in the refugee population and the continuing transfer of refugee children from government schools to UNRWA schools, where pupils attained relatively high levels of academic achievement. In the mid-1996 annual government examination for pupils in the third preparatory grade, pupils in Agency schools obtained a pass rate of 95 per cent, as compared to an average of 52 per cent in government schools, a differential similar to that in previous years. Close supervision, use of diagnostic and achievement tests, curriculum enrichment efforts and a variety of remedial measures contributed to the performance of Agency pupils.

159. Syrian education reforms. Cooperation between UNRWA and the Syrian Ministry of Education remained strong, with Agency staff participating in technical meetings on the development of the Syrian national education programme and gradual implementation at the national level of a new study plan, curriculum and textbooks for the elementary and preparatory cycles. The new materials would be introduced beginning with the first elementary grade, in the 1996/97 school year at government schools and in the 1997/98 school year at Agency schools. The Ministry offered train-the-trainers courses to UNRWA school supervisors in the newly prescribed textbook for the first elementary grade.

160. Education infrastructure. With project contributions, the Agency completed construction of 14 classrooms to avoid triple-shifting and replace unsafe classrooms, as well as two specialized rooms and three administration rooms. Nine schools, one multi-purpose room and the central library at Neirab camp were upgraded. At mid-1997, 26 classrooms and two specialized rooms were under construction. The project for a new school building at El-Mezzeh to replace unsatisfactory rented premises continued to experience delays, with tendering for construction postponed pending issuance of a building permit, although the site had been obtained the previous year. A sustained programme of construction and maintenance was urgently needed in the Syria field, where 92 per cent of

Agency schools operated on double shifts. Only 9 per cent of administrative schools were accommodated in rented premises.

161. Vocational and technical training. The Damascus Training Centre accommodated 812 trainees, of whom 150 were women and 161 were boarding students, in 13 post-preparatory vocational/trade courses and seven post-secondary technical/semi-professional courses. Owing to lack of funds, the Agency could not accept a new intake of students for the two-year interior design and decoration course introduced in the previous year, limiting intake to every second year despite local demand. With project funding, construction of a new diesel and construction equipment workshop for first-year trainees was completed and several other workshops were upgraded. Construction of a new interior design and decoration workshop and equipping of the diesel and construction equipment and industrial electronics workshops were under way at mid-1997. Career guidance activities were carried out in the third preparatory grade at Agency schools to make pupils aware of possible future employment opportunities, including courses available at the Damascus Training Centre, where guidance counselling and training in job-hunting and interview techniques were also available.

162. In-service training. The regular in-service teacher training programme accommodated 61 Agency teachers, head teachers and school supervisors in four courses offered in Syria.

163. University scholarships. Merit-based university scholarships were awarded to 261 secondary students, including 93 women, for study at the four universities in the Syrian Arab Republic.

B. Health

164. Primary care. Health care services were provided to Palestine refugees in the Syrian Arab Republic through the Agency's network of 22 health centres, all of which provided comprehensive medical care, including family planning services, and special care for diabetes mellitus and hypertension. Eighteen of those facilities accommodated laboratories and 11 offered dental care services supported by community oral health services provided through a mobile dental unit.

165. Secondary care. Hospital services were provided through contractual arrangements with eight hospitals. Promulgation of new government decrees increasing the cost of services by approximately 60 per cent effective 1 November 1996 necessitated compensatory measures, including allocation of additional funds and restriction of referrals to emergency and life-threatening conditions.

166. Health infrastructure. Construction was completed on a new health centre in Yarmouk camp providing general clinic services, mother and child health care and family planning services, and dental care and laboratory services. The new centre would reduce the heavy workload in the two existing centres in the camp, which contained approximately one fourth of the registered refugee population in the Syrian Arab Republic. Renovation and expansion of the Qabr Essit health centre was completed, and the dental unit and medical laboratory at the Sbeineh health centre was upgraded. Following completion, the previous year, of construction of a new building for the Homs health centre, the centre's former premises were converted into a women's programme centre.

167. Cooperation with the Syrian Government. The long-standing cooperation and coordination between the Agency and the Syrian Ministry of Health was maintained, especially in the area of disease surveillance and control. The Agency continued to receive its requirements of hepatitis B vaccine as an in-kind donation from the Ministry of Health, which also donated other vaccines to avoid interruption of the immunization programme resulting from delays in receipt of regular supplies.

168. Environmental health. A feasibility study and detailed technical design for construction of a new sewerage and drainage system in Neirab camp were completed, and works were expected to start soon after mid-1997. Project funding for three compactor trucks and 75 matching refuse containers enabled the Agency to attain full mechanization of its garbage collection and disposal system in all but one of the 10 camps in the Syrian Arab Republic, leading to termination of contractual arrangements concluded with municipalities and private contractors. Jaramana, Khan Danoun and Khan Eshieh camps benefited from improvements to the water supply system as a result of project funding.

C. Relief and social services

169. Refugee registration. There were 356,739 Palestine refugees registered with the Agency in the Syrian Arab Republic at 30 June 1997, a 2.7 per cent increase over the 347,391 refugees registered at 30 June 1996. At 10.4 per cent of the Agency-wide total, Syria had the smallest number of registered refugees of any field.

170. Special hardship programme. The number of refugees enrolled in the special hardship programme increased by 4.4 per cent, from 21,374 at 30 June 1996 to 22,327 at 30 June 1997. The above-average increase, which raised the proportion of special hardship cases among the total registered refugee population in the field from 6.2 to 6.3 per cent, resulted from the clearing of a backlog of applications.

171. Shelter rehabilitation. The Agency rehabilitated 29 shelters during the year and was seeking project funding to meet the identified shelter rehabilitation needs of over 1,000 special hardship families (15 per cent of the total) living in unacceptable conditions. One of the worst situations was in Neirab camp, where families continued to live in crowded, airless and unsanitary conditions in a former army barracks.

172. Poverty alleviation. The group-guaranteed savings and loan programme was extended to six remote villages in the Dera'a area, and four new groups were established in Hama and Neirab camps. By June 1997, there were 49 functioning groups with 616 participants, a 40 per cent increase over the previous year. Some groups were interested in credit for home improvements, others in upgrading agricultural or other income-earning equipment. Another 23 individual loans were made to establish or develop small enterprises.

173. Women-in-development. With project funding, two new women's programme centres were established at Husseinieh and Sbeineh, bringing the total to 15. Five were run entirely by local committees, with the remaining committees assuming greater responsibility for centre management. Linkages were fostered with the Syrian Women's Federation, with other local non-governmental organizations and with United Nations agencies. Fee-based courses in basic computer skills were offered at three centres to 237 women and men, and five other centres obtained computers as part of an income-generating project

partially funded by the Agency. The Latakia centre opened a garden café which served as a meeting place for local women and was run by a woman from a special hardship family. Forty graduates of sewing courses at the Khan Eshieh centre were employed by a local clothing factory. The six kindergartens and nurseries run by the centres accommodated over 500 children. The 31 teachers employed by the centres received training from UNRWA and UNICEF, and the Yarmouk and Sbeineh facilities were expanded. Summer activities for school-age children were offered at most centres. Among the community events sponsored by the centres was a discussion of women and work held at the Jaramana centre on the occasion of international labour day.

174. Community rehabilitation. The five community rehabilitation centres were provided with assistance towards self-management, similar to that provided to women's programme centres. The Alliance centre purchased recreational and computer equipment for income-generating purposes, the Hama centre established sales outlets to generate revenue and the Homs centre received a loan to do the same. The Alliance centre, run almost entirely by disabled refugees, organized courses in computer skills, machine sewing techniques, adult literacy, and an 18-month English language course. Several centres taught sign language to parents and siblings of the hearing impaired and offered guidance in caring for children with cerebral palsy. New premises for the Hama centre opened in February 1997. A staff member participated in a workshop to assist in the formation of a national rehabilitation training resource centre.

VIII. WEST BANK

175. There was a general deterioration in the security situation in the West Bank during the period 1 July 1996-30 June 1997, characterized by an increase in unrest and the sustained imposition of security-related measures which severely disrupted everyday life, as well as Agency operations. Besides the intense confrontations in September 1996, clashes between Palestinian demonstrators and Israeli forces were frequent, particularly in Hebron, and there were a number of attacks by Palestinians on Israeli targets. Heightened tension between Israeli settlers and Palestinian civilians at times resulted in clashes and fatalities. Citing security concerns, the Israeli authorities continued to impose curfews and closures in various West Bank localities, including an internal closure in late 1996. There was a noticeable acceleration in Israeli settlement activity, including expansion of settlements through new construction, extension of boundaries and construction of roads. Demolition of houses for lack of building permits or for security reasons continued to be carried out by the Israeli authorities. Arrest campaigns were conducted by the Palestinian and Israeli authorities, and hundreds of Palestinians, including many refugees, were reportedly held in detention on grounds of security. The West Bank remained divided into separate zones, with area A under full Palestinian control, area B under Palestinian civil control but Israeli security control, and area C under full Israeli control. Socio-economic conditions in the West Bank continued to worsen, a trend exacerbated by the prolonged closures, which hindered economic activity, in particular by preventing Palestinian labourers from working in Israel. UNRWA's 1997 regular programme budget for the West Bank was $56.0 million.

A. Education

176. Elementary and preparatory education. The 100 UNRWA schools in the West Bank accommodated 47,915 pupils in a six-year elementary cycle and three-year preparatory cycle in the 1996/97 school year. The increase of 2,103 pupils over the previous year resulted from the admission to Agency schools of some 612 children of newly arrived refugee families, as well as natural growth in the refugee population. Lack of funds prevented the Agency from increasing the number of teachers commensurate with the rising enrolment, leading to a shortfall of 71 teachers at the beginning of the school year, as against the 1,493 teachers on the staffing table at that time. Pupils had to be accommodated in oversized classes, some exceeding 60 pupils, for four months before project funding could be secured to cover the cost of the 71 teacher posts until the end of 1997, after which they would be incorporated into the regular budget. Parents councils objected to the oversized classes. Lack of funds also prevented UNRWA from extending the basic education cycle in the West Bank from nine to ten years (see para. 26), and from adjusting its grading pattern to accommodate reforms introduced by the Jordanian Government and adopted by the Palestinian Authority which required that all teachers in the basic education cycle possess four-year diplomas. As a result, new elementary teachers with four-year diplomas were still being hired at a grade level applicable to less qualified teachers and below the level granted to preparatory teachers with the same qualifications. In addition, 400 pupils were accommodated in 40 remedial classes.

177. Education infrastructure. With project funding, UNRWA completed the construction of six new schools to replace unsatisfactory premises, three specialized rooms and one toilet block and upgraded eight schools. At mid-1997,

six schools, 18 classrooms and one toilet block were still under construction. Construction works at three schools were halted by the Israeli authorities, and the Agency continued to experience difficulty in obtaining sites for school construction (see para. 113). Agency schools in the West Bank had the lowest classroom occupancy rate (37.6 pupils) and the lowest percentage of schools on double shifts (44 per cent) of any field, as a result of the high proportion of schools accommodated in rented premises (21 per cent) or located outside camps or in remote areas, although schools in camps remained overcrowded.

178. Vocational and technical training. The three UNRWA vocational and technical training centres in the West Bank accommodated 1,048 trainees during the 1996/97 school year, of whom 445 were women and 772 were boarding students. Enrolment fell short of the capacity of 1,302 trainees owing to the inability of students from Gaza to obtain the requisite permits from the Israeli authorities (see para. 204). Course offerings at the three centres included 19 two-year post-secondary technical/semi-professional courses and 16 two-year post-preparatory vocational/trade courses, as well as a 40-week course for executive secretaries at Ramallah Women's Training Centre, in which 38 students were enrolled. Two new courses were introduced during the school year to meet local market demand: a semi-professional course in industrial electronics at Ramallah Men's Training Centre and a trade course in diesel and agricultural machinery mechanics at Kalandia Training Centre. In cooperation with the Palestinian Authority, six courses of 20 to 30 weeks' duration were offered at Kalandia Training Centre to train 136 released prisoners in auto mechanics, electrician skills, office equipment repair, radio and television repair, and refrigeration and air conditioning repair. UNRWA sponsored 15 refugee students at a private training institution in Bethlehem and offered a six-month short-term course in building techniques at Kalandia Training Centre for 14 young refugees. A variety of extracurricular activities, many of them community-organized, took place at the three training centres, including book exhibitions, sports events, open houses and a conference on elementary education, which was attended by 650 educators, researchers and officials from the Palestinian Authority and local schools and universities. Construction and equipping of a diesel and agricultural machinery workshop at Kalandia Training Centre was completed.

179. Educational Sciences Faculty. The Educational Sciences Faculty (ESF) at the Ramallah Men's and Ramallah Women's Training Centres accommodated 480 students, of whom 178 were men and 302 women, in a four-year pre-service teacher training programme offered at the post-secondary level. The first group of 113 students graduated from the programme in July 1996 with a bachelor's degree in education recognized by the Palestinian Authority. Enrolment of male students fell short of the capacity of 300 owing to the inability of students from Gaza to obtain the requisite permits from the Israeli authorities. As a result of restrictions on movement in the West Bank and Gaza Strip, the Agency decided not to introduce the three-year in-service teacher training programme for the time being and was instead considering a distance training programme. Besides preventing Gaza teachers from participating in the in-service programme, the restrictions would prevent most West Bank teachers from commuting between their place of work and the training site.

180. Operational constraints. UNRWA's education programme continued to be disrupted by Israeli security-related measures which restricted freedom of movement. On several occasions, closures of or within the West Bank prevented UNRWA trainees, teachers and other education staff from reaching their place of work or training. Strict closures imposed in September 1996 and March 1997 prevented staff with West Bank identity cards from reaching the eight Agency

schools inside the municipal boundary of Jerusalem. Some schools in area C were affected by the imposition of curfews, and schools and training centres in Ramallah were stopped during a closure in December 1996. Redeployment of staff, extension of the school year and distribution of self-learning materials partially compensated for the effects of the closures.

181. In-service training. The Agency's regular in-service teacher training programme offered three one-year courses which benefited 67 teachers, head teachers and school supervisors. Some Agency teachers participated, either as trainees or as lecturers, in summer courses and workshops organized by the Palestinian Authority and local non-governmental organizations. Topics covered included democracy in schools, AIDS and human rights.

182. University scholarships. During the 1996/97 school year, merit-based university scholarships were offered to 161 refugee secondary students in the West Bank, of whom 95 were women. An international non-governmental organization awarded scholarships through UNRWA to two refugee post-preparatory students for baccalaureate study at colleges in the United States and Hong Kong.

B. Health

183. Primary care. Comprehensive primary health-care services were delivered to Palestine refugees in the West Bank through the Agency's network of 22 health centres and 12 health points, all of which offered family planning services and special care for management of diabetes mellitus and hypertension, in addition to the full range of preventive and curative medical care services. Of those facilities, 21 accommodated laboratories and 19 provided dental care, supported by a mobile dental unit for community oral health services. Six centres had X-ray facilities, six provided physiotherapy services and one contained a maternity unit.

184. Secondary care. In-patient care was provided through contractual agreements with Augusta Victoria Hospital in Jerusalem and five other non-governmental hospitals in the West Bank, as well as directly by the Agency at its 43-bed hospital in Qalqilia and at a small maternity unit in Nur Shams camp. Partial reimbursement was also provided for expenses incurred by refugee patients towards their treatment at Maqassed Hospital in Jerusalem, at King Hussein Medical Centre in Jordan and at Israeli hospitals for specialized care not readily available at the contracted hospitals, such as cardiac surgery, neurosurgery, advanced orthopaedics and intensive neonatal care. The Agency reimbursed insurance premiums for refugees holding West Bank identity cards to cover cancer treatment. Owing to continuous cost increases for hospital services, the Agency had no alternative but to raise the co-payment rate at Augusta Victoria Hospital from 12 to 25 per cent (10 per cent for special hardship cases), similar to the co-payment rate at other contracted hospitals, effective 1 July 1997.

185. Health infrastructure. Construction was completed on health centres in Camp No. 1 and Nur Shams camp and health points in Ein Arik, Ramadin and Ya'bad villages. A second medical team was established in the Jericho area to provide full-time service at the Aqabat Jabr health centre, four days a week at the Ein Sultan health point, and two days a week at the Auja health point. A new dental unit was installed at the Aqabat Jabr health centre. Construction of a mother and child health centre at Askar camp was under way in mid-1997.

186. Joint infrastructure projects. Activation of the project for construction and equipping of a 20-bed paediatric ward, X-ray unit and physiotherapy unit at Qalqilia Hospital was delayed pending final agreement among UNRWA, the Palestinian Authority and the concerned donor regarding allocation of funds. The Agency worked closely with the Palestinian Authority to finalize design drawings for the construction of a central public health laboratory in Ramallah, with two satellite laboratories, one in the West Bank and one in the Gaza Strip. Agreement in principle was reached with the Authority and the donor on implementation of the project, to which UNRWA would continue to provide technical assistance.

187. Operational constraints. The Agency's health programme in the West Bank continued to face serious operational difficulties arising from closures and movement restrictions imposed by the Israeli authorities on security grounds. On many occasions, staff were unable to reach their place of work, leaving health facilities, especially the two health centres in Jerusalem, to be run temporarily by skeleton staff. Access to Israeli hospitals and non-governmental hospitals in Jerusalem was also affected. Internal closures of the West Bank had a particularly wide-ranging effect on staff attendance, inter alia, affecting sanitation services in some camps.

188. Emergency assistance. UNRWA extended emergency assistance during the fierce clashes in September 1996. All health centres were put on alert, duty hours were extended and emergency medical supplies were provided. The staff of the Jerusalem health centre provided first aid during clashes in the city. At the request of the Palestinian Authority, the Agency assisted with the delivery of medical supplies from central pharmaceutical stores to Authority hospitals in Hebron, Nablus and Ramallah, via trucks escorted by international staff, during periods of curfew and closure. Emergency medical supplies were procured for the Authority with donor assistance, and blood donated at Agency health centres was sent to Authority hospitals in need.

189. Iodine deficiency disorders. UNRWA participated in the newly established Palestinian Authority committee for the control of iodine deficiency disorders. In collaboration with UNICEF and WHO, the committee conducted a survey to assess the prevalence of those disorders in the self-rule areas. The survey found greater prevalence in the West Bank than in the Gaza Strip, and it underlined the need to establish local plants for production of iodized salt to prevent iodine deficiency disorders, similar to measures taken by host Governments in Jordan, Lebanon and the Syrian Arab Republic.

190. Environmental health. Construction of internal sewerage systems in Aida, Tulkarm, Dheisheh and Beit Jibrin camps was completed in August, September, November and December 1996, respectively, bringing to nine the number of West Bank refugee camps in which the Agency had constructed internal sewerage systems with funding received under the expanded programme of assistance, the other camps being Am'ari, Askar, Balata, Jenin and Nur Shams. Following completion of feasibility studies and preliminary designs for sewerage and drainage systems in Arroub, Far'a, Fawwar, Jalazone and Kalandia camps, project proposals were prepared and submitted to the Palestinian Authority for consideration. As those camps were located at sites where they could not be connected to nearby municipal sewerage systems, the projects would involve construction of treatment facilities outside camp boundaries and hence would need to fit into overall master planning. UNRWA coordinated with the Palestinian Economic Council for Development and Reconstruction in an attempt to resolve a health hazard created by flow of waste water and raw sewage from Jalazone camp to nearby Jifna

village. At mid-1997 that problem had not yet been resolved owing to lack of funding and problems relating to land issues.

C. Relief and social services

191. Refugee registration. At 30 June 1997, there were 542,642 Palestine refugees registered with UNRWA in the West Bank, an increase of 1.9 per cent over the 532,438 refugees recorded at 30 June 1996. The low increase, which was less than the rate of natural population growth, reflected an observed tendency among parents to delay registration of newborn children.

192. Special hardship programme. Enrolment in the special hardship programme rose slightly in absolute terms, from 28,395 at 30 June 1996 to 28,684 at 30 June 1997, but declined in relative terms, from 5.33 to 5.28 per cent of the registered refugee population in the West Bank. High unemployment and the continuing closure affected many poorer families, including those that did not qualify for special hardship assistance.

193. Shelter rehabilitation. The Agency rehabilitated 73 shelters belonging to special hardship and other poor families, 62 of them through self-help methods. A field survey revealed that 1,400 special hardship families and 600 other impoverished refugee families were living in sub-standard housing. The Agency was seeking additional project funding to meet their shelter rehabilitation needs.

194. Emergency relief. The Agency provided emergency relief assistance on three occasions in response to events in the field. In December 1996, small cash grants were provided to six impoverished families who had lost breadwinners in the September 1996 confrontations. In January and February 1997, food, tents and household items were provided to 40 Bedouin families from the Jahalin tribe who had been evicted in connection with the expansion of a settlement near Jerusalem. In April 1997, food was distributed to 200 families (1,400 persons) in Sourif village, in the Hebron area, following a prolonged curfew.

195. Poverty alleviation. The skills training and apprenticeship programme, funded under the Peace Implementation Programme, continued to offer training courses to young men and women in a variety of subjects. Of the 634 graduates, 301 had found employment by mid-1997, of whom 10, including three women and two disabled men, had been assisted with soft loans, averaging $7,000, to establish small enterprises. Another 24 apprentices were still in training. Group-guaranteed savings and credit schemes, organized in association with an international non-governmental organization, were established at the Arroub and Fawwar women's programme centres. Fieldwork was completed for a survey of poverty in Arroub, Balata and Kalandia camps. UNRWA social workers and community representatives received training in poverty alleviation and the concept of poverty in Islam.

196. Women-in-development. A community-managed women's programme centre was established at Far'a with project funding, bringing the total in the West Bank to 14. Thirteen were effectively managed by locally elected committees, up from six in the previous year. The Nablus-area centres developed by-laws and joined other non-governmental organizations in seeking official status and support from the Palestinian Authority, while the Hebron-area centres formed a coordinating committee to strengthen advocacy efforts. Several income-generating projects were ongoing, including a beauty salon at the Nur Shams centre, catering services at the Am'ari, Fawwar and Hebron centres, photocopying services at the

Am'ari and Fawwar centres and clothing production units at the Balata, Dheisheh and Hebron centres. Kindergartens were opened at the Am'ari and Nur Shams centres, the Fawwar centre's nursery was expanded to meet demand, and training was arranged for kindergarten teachers. The Nur Shams centre launched a project to convert a garbage dump into a camp playground. Several centres conducted literacy classes for female drop-outs, in some cases enabling them to resume schooling. Public meetings were organized at a number of centres on such issues as democracy and women's rights, in association with the Palestinian Authority.

197. Community rehabilitation. The nine community rehabilitation centres in the West Bank continued to emphasize institutional development, outreach services and development of resources for the disabled, particularly children. The Hebron-area centres, together with local non-governmental organizations, established a coordinating body on community-based rehabilitation. Following a needs assessment, the Agency provided extended training for rehabilitation workers in the Jerusalem, Nablus and Hebron areas. Community volunteers and Agency staff devoted special attention to integrating disabled children into mainstream UNRWA schools and to home outreach programmes for families of disabled children. The six toy libraries at West Bank centres, including one at Dheisheh established during the year, were proving popular among both disabled and able-bodied children. A library and a computer centre were established at the Askar centre. Prosthetic devices were provided to disabled children with assistance from the Palestinian Authority and local zakat committees. Sports activities and summer and winter camps for disabled and able-bodied children were organized with the Authority's support.

198. Youth activities. The 17 youth activities centres in the West Bank continued to organize a busy schedule of sports, recreational and educational activities, while playing an active role in community life. Youth committees participated in traditional reconciliation processes for inter-family disputes and undertook community service, including tree planting, clean-up campaigns and repair of roads and street lights. The Balata centre organized lectures on civic rights, a meeting between the Nablus governor and camp residents on problems facing the camp and a discussion with local representatives to the Palestinian Council. In coordination with local schools, remedial and supplementary classes for weaker pupils were held at some centres.

IX. GAZA STRIP

199. Socio-economic conditions continued to deteriorate in the Gaza Strip, the smallest and most densely populated of UNRWA's five fields of operation. Poor economic conditions, including reduced purchasing power and unemployment on the order of 40 per cent, were exacerbated by the continued prolonged closures of the Gaza Strip, which had a particularly negative effect owing to heavy reliance on employment of workers in Israel and on import and export of goods, and by the tight restrictions on entry and exit from the Strip. Closures and other security-related measures imposed by the Israeli authorities also continued to disrupt Agency operations. With the exception of the intense confrontations in September 1996, the security situation was generally more stable than in the West Bank during the period 1 July 1996-30 June 1997. However, tension remained high, with continuing friction between Israeli settlers and Palestinian civilians occasionally erupting into violence. Arrest campaigns were conducted by the Palestinian authorities, and hundreds of Palestinians, including many refugees, were reportedly held in detention on grounds of security. With registered refugees accounting for three quarters of the population, the highest proportion of any field, UNRWA played a preponderant role in providing services in the Gaza Strip. The Agency's presence in Gaza was upgraded with the relocation of headquarters from Vienna in July 1996. The Agency's 1997 regular programme budget for the Gaza Strip was $85.8 million.

A. Education

200. Elementary and preparatory education. UNRWA's basic education programme in the Gaza Strip, consisting of a six-year elementary cycle and a three-year preparatory cycle, continued to experience rapid growth in enrolment for the third consecutive year. In the 1996/97 school year, the 162 Agency schools accommodated 140,673 pupils, a net increase (8.6 per cent) of seven administrative schools and 11,179 pupils over the previous year. The increase in enrolment resulted from the admission of 2,059 children of Palestine refugee families newly arrived in the Gaza Strip, as well as natural growth in the refugee population. The Agency for the first time procured textbooks for its Gaza schools from the Palestinian Authority, at additional cost but without the logistical difficulties and delays entailed in importing books from Egypt, as had been the practice. Volunteers from the Universities' Educational Fund for Palestinian Refugees implemented a four-week pilot reading project at two Gaza preparatory schools. Four remedial classes accommodated 128 pupils.

201. Contract teachers. The rapid growth in enrolment since 1994 had led to a proportionately sharp rise in the number of teachers required in Agency schools. Owing to financial constraints, the Agency had resorted to hiring additional teachers on one-year contracts at salaries lower than those of the Agency's regular area staff - $360 per month for elementary teachers and $400 for preparatory teachers, roughly one half of the equivalent Agency post. At the beginning of the 1996/97 school year, the Agency hired another 237 contract teachers and extended the contracts of those hired previously, bringing the total number to 636, or 17 per cent of the 3,757 Agency teachers in Gaza. In January 1997, the Agency was able to appoint 276 of the contract teachers as regular salaried employees, with conversion of the remainder to be implemented in phases pending receipt of special contributions for that purpose.

202. Education infrastructure. Despite major progress in improving the Agency's education infrastructure in the Gaza Strip through project contributions under

the Peace Implementation Programme, much needed to be done. Many school buildings built in the 1950s and 1960s had become dilapidated or unsafe and were in need of replacement. Overuse of facilities and reductions in maintenance allocations in recent years as a result of austerity measures exacerbated wear on those and other Agency schools. Overcrowding was a chronic problem, with Gaza having the highest classroom occupancy rate (48.1 pupils) of any field and with 70.4 per cent of schools operating on a double-shift basis. The large increase in enrolment obliged the Agency to increase the number of administrative schools operated on double shifts or partial double shifts (i.e., an afternoon shift for only some class sections) from 109 in the previous school year to 114 in 1996/97. With project funding, the Agency was able to continue to expand school capacity and replace or improve the most rundown facilities. Construction was completed on five school buildings and seven classrooms, and five school premises were comprehensively upgraded. New lighting systems were installed at 20 schools, three boundary walls around schools were constructed and one school playground was paved. In addition, construction of a secondary school building at Beit Hanoun was completed and the building handed over to the Palestinian Authority. At mid-1997, seven school buildings, five classrooms and two specialized rooms were under construction.

203. Vocational and technical training. The Gaza Training Centre accommodated 760 trainees, including 83 women, in 13 two-year post-preparatory vocational/trade courses and four two-year post-secondary technical/semi-professional courses. In response to continuing demand in the local construction industry, a new intake of trainees was admitted to the architectural draughting course in September 1996, but because of financial constraints this was possible only by dropping a machining/welding course.

204. Gaza students. There was no improvement in the situation of students from Gaza enrolled in programmes at UNRWA training centres in the West Bank, including the Educational Sciences Faculty (ESF), who since the February 1996 closure had been unable to obtain the necessary permits from the Israeli authorities to travel to and study in the West Bank. The Agency submitted permit requests for 198 students to the Israeli authorities via the Palestinian authorities in August 1996 and again in January 1997, but those requests remained pending at mid-1997. Consequently, the Agency continued to arrange compensatory classes in the Gaza Strip for third- and fourth-year pre-service ESF students to enable them to complete their studies. The compensatory programme served 109 students, at an additional cost of $45,000. Of those students, 53 graduated in November 1996 with an accredited bachelor's degree in education and the remaining 56 fourth-year students were due to graduate by July 1997.

205. In-service training. The regular in-service training programme offered seven one-year courses benefiting 171 teachers, head teachers and school supervisors. In addition, special one-week courses were offered during the mid-year break to develop the skills and competencies of contract teachers in four core subject areas: Arabic, science, mathematics and English.

206. University scholarships. During 1996/97, merit-based university scholarships were awarded to 266 outstanding secondary students, of whom 176 were women, for study at universities in the West Bank and Gaza Strip and elsewhere in the region.

B. Health

207. Primary care. UNRWA's primary health care services for Palestine refugees in the Gaza Strip, who constituted more than two thirds of the its inhabitants, were delivered through a network of 13 health centres offering a full range of medical care services, including family planning. All of the facilities offered special care for management of diabetes mellitus and hypertension and accommodated laboratories. Eleven provided dental care, supported by three mobile dental units, for community oral health care; six had physiotherapy clinics, and four had X-ray facilities. Maternity units at seven of the centres attended to approximately one fourth of the total registered deliveries in the Gaza Strip. Specialist services in cardiology, chest diseases, gynaecology and obstetrics, and ophthalmology were provided from the largest centres under a weekly rotating schedule. The unique arrangement of providing an afternoon shift at the centres in the five largest camps and Gaza town was maintained to offset heavy workloads during the morning shift. The Agency also operated one health point and three mother and child health centres which provided a full range of family health services. The community mental health programme was discontinued upon expiration of funding for its three-year project.

208. Secondary care. Hospital services were provided through a contractual arrangement with a non-governmental hospital, el-Ahli, where 50 beds were reserved for refugee patients, and through partial reimbursement of medical expenses incurred by refugees for treatment at Palestinian Authority hospitals.

209. Health infrastructure. Work was completed on the construction and equipping of two new health centres, at Beit Hanoun and Ma'an, which provided a full range of general clinic services, mother and child health and family planning services, laboratory facilities and dental care. Owing to budgetary constraints, the two new centres were operated on a part-time basis by staff deployed from other centres, together with a team recruited on a temporary basis in the context of the emergency job-creation programme. Expansion of the Bureij and Jabalia health centres was also completed. The functions of four smaller health facilities were integrated into the newly constructed and expanded health centres, reducing the number of UNRWA primary health care facilities in the Gaza Strip from 19 to 17.

210. European Gaza Hospital. The construction phase of the European Gaza Hospital project, begun in November 1993, was completed with the issuance of the certificate of substantial completion of works to the international building contractor in September 1996 and the handing over of the site to UNRWA. By mid-1997, additional construction works were well in progress and the major part of the hospital's equipment had been installed and commissioned, with the remainder to be procured pending additional project funding. Although it had been contemplated to pursue commissioning of the hospital in parallel with completion of construction, that approach could not be applied owing to delays in receipt of funding. The European Union, the Palestinian Authority and UNRWA continued consultations regarding bridging the funding shortfall in capital costs, commissioning the hospital and future modalities of operation, with a view to placing the hospital on a sound footing and ensuring that it would make the best possible contribution to the Palestinian health care system in the Gaza Strip. Upon completion, the 232-bed facility would become the second largest hospital in the Gaza Strip, increasing the number of available hospital beds by 24 per cent. Among the medical care services planned to be offered at the hospital were general surgery, general medicine, paediatrics, obstetrics and gynaecology, ophthalmology, dermatology, neurology and gastroenterology, in addition to out-patient and other diagnostic and support services.

211. Gaza College of Nursing. Construction and equipping of the new Gaza College of Nursing and Allied Health Sciences, which would be affiliated with the European Gaza Hospital, was completed. Commissioning awaited a final decision on how the college would be integrated within the human resources development plans of the Palestinian Authority. The existing Gaza College of Nursing, which would be replaced by the new college, accepted no new intake of students but would continue ongoing programmes until the last group of students completed their training in September 1998. During the 1996/97 school year, 68 women students were enrolled in the three-year undergraduate diploma course and 21 women students in the two-year practical midwifery programme, the only one of its kind in the Gaza Strip.

212. Maternal health and family planning project. The three-year 1995-1997 maternal health and family planning project, a joint initiative by all health care providers in the Gaza Strip, including UNRWA, the Palestinian Authority and non-governmental organizations, continued to progress as planned. Developed in collaboration with technical advisers from Kingston University in the United Kingdom, the project was expected to contribute significantly to improvement of the quality of maternal health care and family planning through the development of open-learning training modules and upgrading of the qualifications of senior programme managers in management information systems and total quality management. The project also covered UNRWA's requirements of contraceptive supplies in the Gaza Strip.

213. Meningitis outbreak. An outbreak of atypical meningitis was reported by the Palestinian Authority, mainly in the Gaza Strip but with a few cases in the West Bank, beginning in May 1997 and continuing until July. During that period, 1,555 unconfirmed cases were reported, most of them children and 1,178 of them in Gaza. Owing to lack of adequate laboratory support, confirmation of diagnosis was limited to a few cases of different etiology, and the mode of transmission could not be verified. The proportion of refugee cases could not be ascertained, as cases were managed at Palestinian Authority hospitals which did not make that distinction. In view of the potential seriousness of the matter, UNRWA cooperated closely with the Palestinian Authority, reinforcing preventive and control measures and establishing two mobile teams at Authority hospitals.

214. Environmental health. The special environmental health programme in the Gaza Strip, established in 1993 to undertake planning, coordination and implementation of major improvements in the environmental health sector, had by mid-1996 completed feasibility studies and detailed designs for sewerage and/or drainage works in seven of the eight camps and adjacent municipalities in the Gaza Strip. UNRWA continued implementation on works in two of those camps, Beach and Deir el-Balah, with special funding, as well as the first phase of a project for Gaza municipality (see para. 216). Works in two other camps, Jabalia and Rafah, were being implemented by the Palestinian Authority through bilateral cooperation with donors, with UNRWA continuing to provide technical assistance as needed. The Agency continued to seek funding for works in the remaining three camps, Bureij, Maghazi and Nuseirat, as well as additional funding for works in Deir el-Balah. To ensure integration of UNRWA projects into regional environmental planning, the Agency coordinated closely with the Palestinian Authority and concerned municipalities, updating its designs to conform to the Authority's design horizon for the year 2015.

215. Beach camp initiative. The comprehensive environmental health initiative in Beach camp continued to progress. Upgrading of the second of two existing pumping stations was completed, and construction of a third station was nearly

finished at mid-1997. Work continued on construction of a sewerage and drainage network to serve 20,000 residents in the eastern part of the camp. Expansion of the solid waste disposal system through purchase of one garbage truck and 25 refuse containers was completed. Rehabilitation of the Gaza municipal waste-water treatment plant was delayed by accidental damage to a treatment pond and the need to retender the contract; completion was expected soon. The rehabilitated plant, although not fully meeting present sewage treatment needs, would make optimal use of existing facilities on an interim basis until a new plant could be constructed to serve the entire central area of the Gaza Strip. Additional project contributions were received to extend the sewerage and drainage network to the remaining two thirds of the camp and to design and construct coastal defence works adjacent to the camp.

216. Gaza municipality project. UNRWA completed in October 1996 the first phase of a sewerage and drainage project for Gaza municipality, which included cleaning, maintenance and repair of municipal sewers and storm drains; procurement of $2.8 million in equipment for the municipality, including vacuum trucks, jetting units, pumps, wheel loaders and other equipment for repair and maintenance of the sewerage system; and provision of technical assistance and training. The second and third phases of the project - comprising the development of a sewerage and drainage master plan for an area comprising about 60 per cent of Gaza municipality and construction of specified works - would be carried out by the municipality in coordination with the donor.

217. Other sewerage and drainage projects. Construction of a sewage pumping station and related facilities to serve Deir el-Balah camp and municipality was completed. Those works were part of a scheme which would eventually direct sewage from the central area of the Gaza Strip, including the middle camps of Bureij, Maghazi and Nuseirat as well as Gaza municipality, to a single sewage treatment plant. Following receipt of funding, construction commenced on priority sewerage and drainage works in the northern part of Deir el-Balah camp, for which detailed designs had been completed the previous year.

218. Solid waste management and mosquito control. In the framework of participation in an initiative by the Central Area Solid Waste Management Council, the Agency, with project funding, procured and modified 32 vehicles for collection and transport of solid waste in the middle camps and elsewhere in the Gaza Strip, to be used by the council and other municipalities. A mosquito-control campaign was carried out in the second half of 1996 in the middle camps.

C. Relief and social services

219. Refugee registration. The number of Palestine refugees registered with UNRWA in the Gaza Strip increased from 716,930 at 30 June 1996 to 746,050 at 30 June 1997. The 4.1 per cent increase was the highest Agency-wide - although considerably less than the 4.9 per cent increase in the previous reporting period - reflecting a relatively high birth rate and the continuing influx of refugee families. Over 55 per cent of the refugees were registered in the eight refugee camps in Gaza, the largest proportion of any field.

220. Special hardship programme. The number of refugees enrolled in the special hardship programme in Gaza rose from 59,692 at 30 June 1996 to 62,310 at 30 June 1997. The 4.4 per cent increase, slightly higher than overall growth in the registered refugee population, could be attributed to scarcity of employment opportunities which could have enabled workers to support weaker members of the extended family. Moreover, a higher percentage of families in Gaza than in

other fields qualified for assistance because young male family members were continuing full-time education as an alternative to unemployment.

221. Shelter rehabilitation. The Agency rehabilitated 342 shelters belonging to special hardship families during the year, all but five with project funding. Additional contributions were being sought to rehabilitate the large number of shelters still in need of repair or reconstruction.

222. Canada camp. The gradual repatriation of refugees from Canada camp in the Sinai peninsula to the Gaza Strip continued within the framework of mutual agreements between the concerned authorities. In April 1997, compensation monies were disbursed to 40 households to enable them to construct homes in the Tel el-Sultan housing project, near Rafah. By 30 June 1997, 28 heads of those households had entered Gaza, with the remaining 12 to follow soon after. Once the homes were completed, the 40 families, comprising 200 persons, would be permitted to enter Gaza, after which another group of households could begin the process. With special contributions, the Agency channelled compensation monies and would provide assistance to the families for a six-month settling-in period. Some 2,800 other Palestine refugees from the Gaza Strip remained displaced at Canada camp, which had been separated from Rafah with the restoration of the Israeli-Egyptian border in 1982. The Agency continued to provide services, including food support, to the camp.

223. Organizational development unit. The Agency enhanced its ability to support institution-building among the community centres it sponsored in the Gaza Strip through the establishment of an organizational development unit in July 1996. In its first year of operation, the unit offered training in self-management skills for the locally elected committees of women's programme, community rehabilitation and youth activities centres, with courses also open to other community organizations. Training focused on fund-raising and development of project proposals, with significant results for the centres' financial sustainability. The unit also helped the centres to establish income-generating projects, obtain funding from local sources, strengthen administrative structures, arrange technical training and develop linkages with the newly established Union of Palestinian Non-Governmental Organizations.

224. Women-in-development. Managing committees were established at the last two of 10 women's programme centres in Gaza. Workshops and lectures at the women's programme centres dealt with a variety of family and civic issues, including municipal elections, dealing with children, violence and problem-solving, empowerment of women, communication skills and gender issues, and advice for young couples. The embroidery shop in Gaza town was renamed and moved to new premises; it benefited from a consultancy to enhance product development. Training was provided at all the centres in maintenance of domestic equipment and food processing. With the establishment of seven community libraries at women's programme centres, all centres offered that service. Library holdings were expanded, and the Maghazi centre arranged a course in library management.

225. Community rehabilitation. The community rehabilitation centres organized workshops for the families of disabled children on Palestinian sign language and speech pathology for the hearing impaired, and for volunteer rehabilitation workers on counselling disabled persons and working with parents of disabled children. UNRWA staff took part in a workshop sponsored by the Palestinian Authority to draft a proposal for legislation protecting the rights of disabled persons. Contacts between the centres and other rehabilitation organizations were enhanced through joint training activities. The Maghazi centre opened a building for cultural activities which would bring together disabled and able-

bodied members of the community. Income-generation projects were established at two centres, and the Jabalia centre began renting out space for shops to generate income. A fee-based audiology unit was being established at the Jabalia centre with a grant from UNRWA.

226. Youth activities. Income-generation projects were established at seven of the eight youth activities centres, including a computer centre at Maghazi camp, rented shops at Bureij, a cafeteria at Beach and a gymnasium at Nuseirat. Public meetings and lectures covered a wide range of topics, including democratic processes, environmental health issues and drug abuse. Conferences on camp issues at all the centres led to the formation of a youth delegation to a general conference on refugee issues in September 1996. The Beach centre conducted a survey to establish a socio-economic database on camp inhabitants. Training activities included computer courses at three centres. A major effort was made over the year to integrate women and young people with disabilities into centres' activities. Construction was completed on new buildings for the Bureij and Rafah centres catering especially to recently admitted women members, and Jabalia centre facilities were adapted to accommodate disabled persons. The Beach centre inaugurated a multi-purpose hall and offices.

227. After-school recreation. UNRWA continued, with project funding, to offer an after-school recreation programme to provide safe and supervised sports, recreational and other activities for Gaza schoolchildren, in conjunction with the Palestinian Authority and local sports and youth clubs. The scope of the programme had to be reduced owing to unavailability of school premises, as large increases in 1996/97 enrolments obliged a number of UNRWA and Palestinian Authority schools to switch to double shifts. Consequently, it was decided to extend the programme by three months, to December 1997. At mid-1997, 11,971 children were participating in the programme, which was being offered at 54 schools, including 35 UNRWA schools, and at three community centres. The programme employed 170 staff, mainly sports and cultural facilitators, in addition to making use of local volunteers.

228. Emergency job-creation programme. The Agency completed the emergency job-creation programme in the Gaza Strip, launched with the aim of temporarily alleviating socio-economic hardship arising from the prolonged closure imposed in February 1996. The 2,700 participants were given temporary gainful employment either within the Agency's field operations (70 per cent) or with the Palestinian Authority or local non-governmental organizations (30 per cent), at a salary of $12 per day for the period April-August 1996. Participants, including several hundred professionals, would have earned an average of $1,500 during that period, for many families the sole source of income. Savings on the contribution allowed 630 persons to remain employed until the end of 1996. Activities under the programme included vocational and teacher training, additional health services, landscaping of Agency installations, summer camps for youth, clean-up of refugee camps, mosquito eradication, mural painting and various community services.

229. Rehabilitation Centre for the Visually Impaired (RCVI). Ongoing rehabilitation activities at the RCVI included vocational training, income-generation opportunities, Braille courses, a home outreach service and recreational activities. The centre provided teaching aids to help integrate visually impaired children into mainstream schooling, and assisted visually impaired school graduates in finding jobs. Special elementary and pre-school courses accommodated 234 pupils. With the support of the Palestinian Authority, the RCVI headed a campaign for early intervention on visual impairment at all schools in the Gaza Strip. A residential summer camp for 150 visually impaired

and sighted children was held in August 1996. In July 1996, a house-to-house survey was conducted in Beit Hanoun, Beit Lahia and Jabalia villages to map the incidence of disability. Construction of two buildings for the Centre was completed in January 1997, with equipping and remaining works nearing completion at mid-1997. The Society of the Friends of the Rehabilitation Centre for the Visually Impaired established an administrative board to run the centre's day-to-day affairs, in a step towards making it an independent non-governmental organization. UNRWA held a seat on the board and would continue to provide limited financial support.

Notes

[1] Office of the United Nations Special Coordinator in the Occupied Territories (UNSCO), Quarterly report on economic and social conditions in the West Bank and Gaza Strip, 1 April 1997.

[2] World Health Organization Regional Office for the Eastern Mediterranean (WHO/EMRO), Demographic and health indicators for countries of the eastern Mediterranean, 1996.

[3] UNRWA registration figures are based on information voluntarily supplied by refugees primarily for the purpose of obtaining access to Agency services and hence cannot be considered statistically valid demographic data.

ANNEX I

Statistical and financial information

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Table 1. Number of registered persons[a]

(as at 30 June each year)

Field	1950	1960	1970	1975	1980	1985	1990	1995	1996	1997
Jordan	506 200	613 743	506 038	625 858	716 372	799 724	929 097	1 288 197	1 358 706	1 413 252
Lebanon	127 600	136 561	175 958	196 855	226 554	263 599	302 049	346 164	352 668	359 005
Syrian Arab Republic	82 194	115 043	158 717	184 042	209 362	244 626	280 731	337 308	347 391	356 739
West Bank[b]	-	-	272 692	292 922	324 035	357 704	414 298	517 412	532 438	542 642
Gaza Strip	198 227	255 542	311 814	333 031	367 995	427 892	496 339	683 560	716 930	746 050
Total	914 221[c]	1 120 889	1 425 219	1 632 707	1 844 318	2 093 545	2 422 514	3 172 641	3 308 133	3 417 688

[a] Figures are based on UNRWA registration records, which are updated continually. However, the number of registered refugees present in the Agency's area of operations is almost certainly less than the population recorded.

[b] Until 1967, the West Bank of Jordan was administered as an integral part of the Jordan field.

[c] Excludes 45,800 persons receiving relief in Israel, who were the responsibility of UNRWA until June 1952.

Table 2. Distribution of registered population

(as at 30 June 1997)

Field	Registered population	Number of camps	Total camp population	Registered persons not in camps	Percentage of population not in camps
Jordan	1 413 252	10	264 322	1 148 930	81.30
Lebanon	359 005	12	195 692	163 313	45.49
Syrian Arab Republic	356 739	10	104 011	252 728	70.84
West Bank	542 642	19	142 780	399 862	73.69
Gaza Strip	746 050	8	410 762	335 288	44.94
Total	3 417 688	59	1 117 567	2 300 121	67.30

Table 3. Number and distribution of special hardship cases

(as at 30 June 1997)

Field	Number of families	Number of persons			Percentage of refugee population
		Receiving rations	Not receiving rations[a]	Total	
Jordan	8 991	33 604	1 823	35 427	2.51
Lebanon	9 349	33 434	3 077	36 511	10.17
Syrian Arab Republic	7 065	21 187	1 140	22 327	6.26
West Bank	8 048	25 563	3 121	28 684	5.28
Gaza Strip	14 069	60 742	1 568	62 310	8.35
Total	47 522	174 530	10 729	185 259	5.42

[a] Includes children under one year of age, students studying away from home, and others.

Table 4. Social services programme

(1 July 1996-30 June 1997)

	Women's programme		Youth activities		Support for disabled persons				Poverty alleviation							
					Community-based rehabilitation			Specialized facilities	Grant-based projects		Loan-based projects		Group-guaranteed lending schemes		Skills training and production units[b]	
						Participants[a]										
Field	Centres	Participants	Centres	Participants	Centres/ programmes	Centre activities	Outreach activities	Referrals	No.	$	No.	$	Participants	$	No.	Participants
Jordan	21	4 900	-	-	9	509	604	150	19	58 686	17	110 876	50	16 000	5	120
Lebanon	11	1 170	-	-	1	33	735	60	21	81 785	36	84 250	-	-	9	33
Syrian Arab Republic	15	3 500	-	-	5	550	450	2	8	11 376	32	63 000	616	115 000	12	320
West Bank	14	1 807	17	6 820	9	836	723	408	-	-	3	27 902	-	-	3	66
Gaza Strip	10	2 800	8	5 100	6	355	467	428[c]	7	65 686	-	-	-	-	1	500
Total	71	14 177	25	11 920	30	2 283	2 979	1 048	55	217 533	88	286 028	666	131 000	27	1 039

[a] Includes disabled persons assisted through home-based activities, integration into mainstream educational and special vocational training programmes, job placement, self-support projects, provision of prosthetic devices and other aids, and cash assistance.

[b] Includes enterprises associated with women's programme centres and community rehabilitation centres and, in the West Bank, apprentices placed with local employers.

[c] Includes 234 persons benefiting from the services of the Rehabilitation Centre for the Visually Impaired in Gaza.

Table 5. Basic education programme, and distribution of refugee pupils receiving education in UNRWA schools[a]

(as at October 1996)

	Jordan	Lebanon[b]	Syrian Arab Republic	West Bank	Gaza Strip	Total/ average
Elementary pupils	89 840	25 690	43 668	34 448	106 420	300 066
Boys	45 406	12 993	22 465	15 384	54 664	150 912
Girls	44 434	12 697	21 203	19 064	51 756	149 154
Preparatory pupils	55 793	11 946	20 321	13 467	34 253	135 770
Boys	28 614	5 572	10 403	5 694	17 747	68 030
Girls	27 179	6 374	9 908	7 773	16 506	67 740
Total enrolment	145 633	37 969	63 979	47 915	140 673	436 169
Boys	74 020	18 704	32 868	21 078	72 411	219 081
Girls	71 613	19 265	31 111	26 837	68 262	217 088
Percentage of girls	49.2	50.7	48.6	56.0	48.5	49.8
Percentage of total Agency-wide enrolment in each field	33.4	8.7	14.7	11.0	32.2	100.0
Percentage increase in total enrolment over previous year	(1.6)	4.0	3.1	4.6	8.6	3.4
Administrative schools	198	73	110	100	162	643
Elementary	70	37	61	32	117	317
Preparatory	128	36	49	68	45	325
Percentage of administrative schools on double shift	92.9	50.0	91.8	44.0	70.4	74.5
Percentage of administrative schools in rented premises	21.7	42.5	9.1	21.0	0.0	16.3
School buildings	106	55	62	84	105	412
Rented school buildings	24	25	8	21	-	78
Classroom occupancy rate	41.7	38.5	44.9	37.6	48.1	43.2
Percentage of class sections containing 48 pupils or more	22.7	15.6	43.3	6.7	59.6	33.6
University scholarships awarded	289	111	261	161	266	1 088
Percentage of female scholars	38.1	29.7	35.6	59.0	46.2	46.6
Teachers	4 276	1 242	1 700	1 569	3 757	12 544
In-service teacher trainees[c]	96	79	61	67	171	474

[a] Excluding an estimated 106,131 refugee pupils attending government and private elementary and preparatory schools, and 60,551 refugee students attending government and private secondary schools, and including 38,536 non-refugee children attending UNRWA schools.

[b] UNRWA also operated one secondary school in Beirut, with an enrolment of 333 pupils (139 boys and 194 girls) in the 1996/97 school year. Total figures for the Lebanon field include that school and its students.

[c] Participants in regular in-service training programme (not including the Educational Sciences Faculty) during the 1996/97 school year.

Table 6. Training places in UNRWA training centres[a]

(1996/97 academic year)

	Jordan				Lebanon		Syrian Arab Republic		West Bank						Gaza Strip				
	Amman Training Centre		Wadi Seer Training Centre		Siblin Training Centre		Damascus Training Centre		Kalandia Training Centre		Ramallah Women's Training Centre		Ramallah Men's Training Centre		Gaza Training Centre		Total		Grand total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Vocational and technical training																			
Vocational training[b]	-	60	572	-	347	41	508	-	432	-	-	110	-	-	596	-	2 455	211	2 666
Technical training[c]	60	284	186	62	115	105	133	147	96	-	-	464	200	-	61	87	851	1 149	2 000
Total	60	344	758	62	462	146	641	147	528	-	-	574	200	-	657	87	3 306	1 360	4 666
Teacher training (Educational Sciences Faculty)																			
Pre-service[d]	100	200	-	-	-	-	-	-	-	-	-	300	300	-	-	-	400	500	900
In-service[e]	300	330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300	330	630
Total	400	530	-	-	-	-	-	-	-	-	-	300	300	-	-	-	700	830	1 530
Grand total	460	874	758	62	462	146	641	147	528	-	-	874	500	-	657	87	4 006	2 190	6 196

[a] Actual enrolment may differ depending on the rate of student withdrawal from courses or, as at the West Bank centres, under-enrolment owing to the inability of students from Gaza to reach the training site.

[b] Two-year post-preparatory courses in a variety of building, electrical, electronic, mechanical and metalworking trades.

[c] Two-year post-secondary courses covering a variety of technical, paramedical and commercial skills.

[d] Four-year post-secondary course leading to a first university degree.

[e] Three-year course for two-year diploma holders leading to a first university degree.

Table 7. University scholarship holders, by faculty, country of study and gender

(1996/97 academic year)

Course of study	Country of study														Grand total
	Jordan		Lebanon		Syrian Arab Republic		West Bank		Gaza Strip		Others*		Total		
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Agriculture	-	-	-	1	-	-	-	-	-	-	-	-	-	1	1
Arts	-	10	1	6	2	7	2	16	2	7	-	-	7	46	53
Business administration	1	-	3	1	-	-	-	1	-	-	-	-	4	2	6
Commerce	-	-	-	-	-	-	1	5	1	2	-	-	2	7	9
Computer science	-	-	-	1	-	-	-	1	-	1	-	-	-	3	3
Dentistry	24	19	-	-	48	17	-	-	-	-	1	-	73	36	109
Economics	1	2	-	1	-	-	-	2	-	-	-	-	1	5	6
Education	-	1	-	1	-	-	-	-	2	28	-	-	2	30	32
Engineering	78	41	34	3	14	11	33	21	26	14	8	1	193	101	294
Fine arts	-	-	-	1	-	-	-	-	-	-	-	1	-	2	2
Law	-	-	-	1	-	1	-	-	-	2	-	-	-	4	4
Medical laboratory	-	-	1	-	-	-	1	1	-	-	-	-	2	1	3
Medicine	33	20	6	4	95	35	5	8	1	1	21	3	161	71	232
Nursing	1	1	2	-	-	-	-	3	-	-	-	-	3	4	7
Pharmacology	56	26	5	2	16	23	9	14	24	87	-	2	110	154	264
Public information	-	-	-	-	-	-	-	-	-	3	-	-	-	3	3
Public relations	-	-	1	-	-	-	-	-	-	-	-	-	1	-	1
Science	1	11	15	10	-	-	2	10	1	5	2	-	21	36	57
Shari'a	-	-	-	-	1	-	-	-	-	1	-	-	1	1	2
Total	195	131	68	32	176	94	53	92	57	151	32	7	581	507	1 088

* Other countries comprised: Turkey (20 male students), Iraq (10 males and 4 females), Egypt (2 females), Sudan (1 male and 1 female) and Yemen (1 male).

Table 8. Medical care services

(1 July 1996-30 June 1997)

	Jordan	Lebanon	Syrian Arab Republic	West Bank	Gaza Strip	Total
Out-patient care						
Health units	23	25	22	34	17	121
Health centres	13	18	22	22	13	88
Health points	4	6	0	12	1	23
Mother and child health centres	6	1	0	0	3	10
Services and facilities at health units						
Dental care	17	17	12	20	14	80
Family planning	23	25	22	34	17	121
Special care	17	24	22	34	13	110
Specialist services	13	15	13	17	13	71
Laboratories	21	15	18	21	13	88
Patient visits						
Medical treatment[a]	1 523 425	683 573	787 813	958 635	2 768 334	6 721 780
Dental treatment	149 769	70 041	53 927	52 681	126 609	453 027
In-patient (hospital) care[b]						
Patients admitted	4 881	9 757	4 082	14 523	7 421	40 664
Patient days	20 203	36 313	10 245	54 117	20 290	141 168
Maternal and child health care						
Pregnant women newly registered	20 448	4 727	7 619	10 820	26 158	69 772
Infants under age 1 newly registered	27 250	4 734	7 981	11 673	24 740	76 378
Children age 0-3 under supervision	71 188	13 187	19 773	32 772	67 611	204 531
New family planning acceptors	6 534	2 453	2 583	3 586	7 633	22 789
Total family planning acceptors[c]	11 506	5 348	5 767	7 314	20 635	50 570
Expanded programme of immunization[d]						
Triple (DPT) vaccine	26 776	4 475	8 049	12 215	26 039	77 554
Polio vaccine	26 830	4 498	8 062	12 248	25 704	77 342
BCG vaccine	26 697	4 603	6 508	11 582	24 367	73 757
Measles vaccine	27 002	4 504	8 623	12 856	28 924	81 909
School health						
School entrants examined	14 612	4 220	9 919	7 205	20 451	56 407
Booster vaccinations	37 920	13 760	13 807	31 833	70 003	167 323

(Footnotes on following page)

(Footnotes to table)

[a] Including visits for medical consultations, injections and dressings.

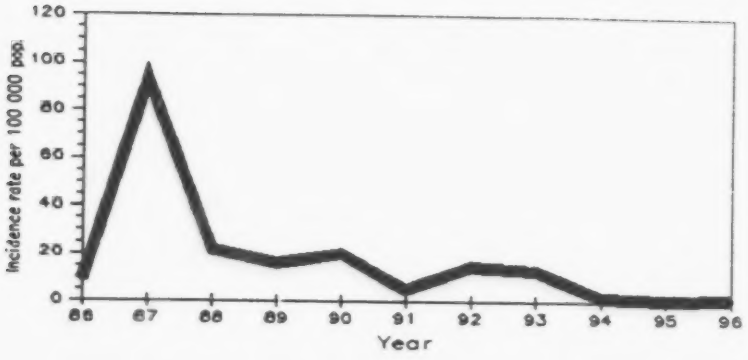
[b] With the exception of a 43-bed hospital run by UNRWA in Qalqilia in the West Bank, hospital services are provided through contractual agreements with non-governmental and private hospitals or through partial reimbursement of treatment costs.

[c] Total number remaining under supervision at 30 June 1997.

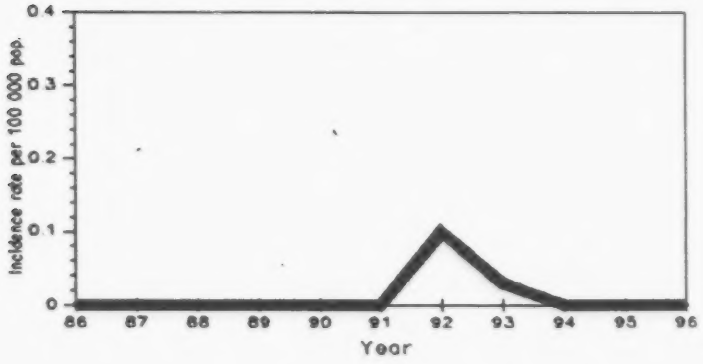
[d] Number of infants receiving full primary series, including vaccinations provided to infants of non-registered refugees with access to UNRWA clinics and to infants completing the full primary series after the normal schedule.

Table 9. Trends in incidence of selected communicable diseases

MEASLES



POLIOMYELITIS



TUBERCULOSIS

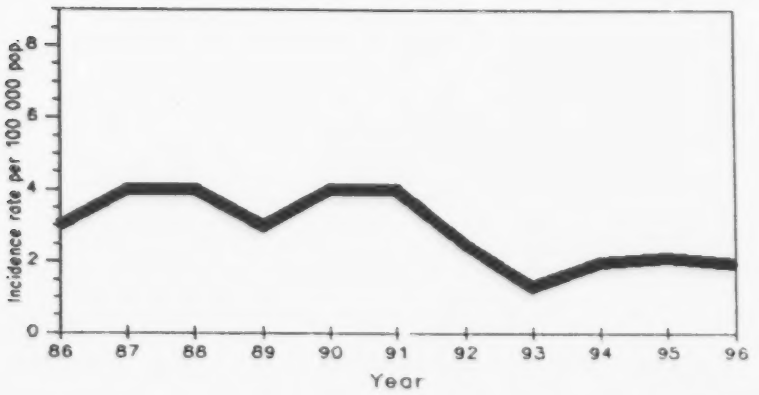


Table 10. Staff members arrested and detained

(1 July 1996-30 June 1997)

	Jordan	Lebanon	Syrian Arab Republic	West Bank	Gaza Strip	Total
Arrested and released without charge or trial	6	1	2	12[a]	19[b]	40
Charged, tried and sentenced	-	-	-	-	-	-
Still in detention	2	-	-	2[c]	-	4
Total	8	1	2	14	19	44

[a] Including four staff members detained by the Israeli authorities.

[b] Including one staff member detained by the Israeli authorities.

[c] Including one staff member detained by the Israeli authorities.

Table 11. Contributions in cash and in kind by Governments and by the European Community, and other income

(1 January 1996-31 December 1996)

(actual receipts, United States dollars)

Source	Total 1995 contributions	1996 contributions		
		Regular budget[a]	Projects[b]	Total
Australia	2 089 950	2 153 250	100 000	2 253 250
Austria	509 278	350 000	-	350 000
Bahrain	15 000	-	-	-
Belgium	3 307 031	3 302 876	984 390	4 287 266
Brazil	50 000	-	-	-
Canada	9 032 508	8 029 135	32 548	8 061 683
Chile	-	15 000	-	15 000
China	60 000	60 000	-	60 000
Colombia	2 500	2 428	-	2 428
Cyprus	2 310	2 310	-	2 310
Czech Republic	20 000	18 943	-	18 943
Denmark	8 051 160	8 944 325	2 570 043	11 514 368
Egypt	5 935	-	-	-
Finland	1 648 261	1 465 969	-	1 465 969
France	2 428 619	2 720 763	-	2 720 763
Germany	10 889 537	6 759 291	2 688 573	9 447 864
Greece	200 000	100 000	25 000	125 000
Holy See	20 000	20 000	-	20 000
Iceland	-	16 000	-	16 000
India	7 237	-	-	-
Indonesia	25 000	25 000	-	25 000
Iran (Islamic Republic of)	26 386	26 400	-	26 400
Ireland	934 188	799 053	331 660	1 130 713
Israel	77 705	28 000	-	28 000
Italy	7 453 416	5 245 901	552 707	5 798 608
Japan	29 837 209	19 068 493	3 747 112	22 815 605
Jordan	69 863	93 287	-	93 287
Kuwait	3 000 000	30 053	1 000 000	1 030 053
Lebanon	347 298	-	-	-
Luxembourg	49 747	159 594	50 000	209 594

Source	Total 1995 contributions	1996 contributions		
		Regular budget[a]	Projects[b]	Total
Malaysia	10 000	10 000	-	10 000
Maldives	1 000	1 000	-	1 000
Malta	3 000	3 000	-	3 000
Mexico	3 000	3 000	-	3 000
Monaco	6 984	6 776	-	6 776
Morocco	242 520	-	-	-
Netherlands	16 230 857	10 242 953	3 608 164	13 851 117
New Zealand	136 771	132 763	-	132 763
Norway	15 494 797	11 450 382	6 376 680	17 827 062
Oman	25 000	-	-	-
Pakistan	17 595	17 595	-	17 595
Palestine	-	40 900	-	40 900
Panama	500	-	-	-
Philippines	4 000	2 000	-	2 000
Portugal	55 000	25 000	-	25 000
Republic of Korea	30 000	100 000	-	100 000
Saudi Arabia	7 926 283	-	4 633 713	4 633 713
Senegal	-	2 410	-	2 410
South Africa	-	5 000	-	5 000
Spain	3 332 023	3 184 429	-	3 184 429
Sri Lanka	2 000	-	-	-
Sweden	22 594 226	20 523 258	2 867 142	23 390 400
Switzerland	7 580 296	4 773 390	-	4 773 390
Syrian Arab Republic	118 475	18 549	-	18 549
Thailand	14 625	30 000	-	30 000
Trinidad and Tobago	503	2 502	-	2 502
Tunisia	593 464	12 793	-	12 793
Turkey	-	250 000	50 000	300 000
United Arab Emirates	-	1 500 000	-	1 500 000
United Kingdom of Great Britain and Northern Ireland	10 713 575	11 939 500	974 696	12 907 196
United States of America	80 676 894	74 000 000	18 256 244	92 256 244
Venezuela	3 529	-	-	-

Source	Total 1995 contributions	1996 contributions		
		Regular budget[a]	Projects[b]	Total
Total contributions by:				
Governments	245 977 055	197 706 271	48 848 672	246 554 943
European Community	70 931 689	47 790 893	6 107 832	53 898 725
United Nations[c]	12 916 117	12 495 101	9 000	12 504 101
Other sources[d]	8 676 693	2 892 918	738 979	3 631 897
Total income	338 501 554	260 885 183	55 704 483	316 589 666

[a] Comprising the General Fund and EMLOT.

[b] Comprising the Peace Implementation Programme, European Gaza Hospital project, move of Agency headquarters to the area of operations, and expanded programme of assistance.

[c] Including funding of 87 international posts by the United Nations and assistance from UNESCO and WHO in the staffing of the education and health programmes.

[d] Including exchange rate gains or losses, interest income, various adjustments to income, and other sources.

Table 12. Actual expenditure in 1996, regular budget for 1997, and proposed biennial budget for 1998-1999

(Cash and in-kind, in millions of United States dollars)

	Actual expenditure 1996[b]	Budgeted expenditure 1997[a]							Proposed biennial budget 1998-1999	
		Jordan	Lebanon	Syrian Arab Republic	West Bank	Gaza Strip	Head-quarters	Total	1998	1999
Education	143.8	49.1	17.2	13.6	24.8	45.1	17.3	167.1	160.3	165.0
Health	47.7	11.6	8.7	5.2	13.6	17.0	5.2	61.3	62.6	63.8
Relief and social services	25.7	6.3	7.1	4.1	6.5	12.6	1.4	38.0	42.6	43.6
Operational services[c]	11.4	3.5	3.1	2.5	5.2	6.3	4.6	25.2	22.7	22.8
Common services[d]	27.5	3.3	3.0	2.0	4.9	4.6	29.7	47.5	42.6	45.5
Other costs	1.6	-	-	-	-	-	-	-	-	-
Termination indemnities[e]	-	-	-	-	-	-	-	12.7	12.1	12.1
Total General Fund	257.7	73.8	39.2	27.3	55.1	85.6	58.1	351.8	342.9	352.8
EMLOT[f]	1.0	-	-	-	0.9	0.2	1.2	2.3	-	-
Total regular budget	258.7	73.8	39.2	27.3	56.0	85.8	59.3	354.1	342.9	352.8

[a] According to the budget approved by the General Assembly in 1995. Actual expenditures will be less owing to cost reduction measures taken in response to funding shortfalls.

[b] Unadjusted figures based on the interim closure of accounts for the first year of the 1996-1997 biennium, calculated on cash basis.

[c] Includes supply and transport services and architectural and engineering services that support all Agency programmes.

[d] Includes management and administrative services that support all Agency programmes, as well as various reserves to be allocated to programmes during the budget biennium.

[e] Funds to be set aside towards payment of termination indemnities to local staff upon the eventual dissolution of the Agency.

[f] Extraordinary measures for Lebanon and the occupied territory.

Table 13. UNRWA in figures

(as at 30 June 1997)

	Jordan	Lebanon	Syrian Arab Republic	West Bank	Gaza Strip	Headquarters: Amman	Headquarters: Gaza	Total/ average
General								
Registered refugees (RRs)	1 413 252	359 005	356 739	542 642	746 050			3 417 688
Increase in RRs over previous year (%)	3.7	1.8	2.7	1.9	4.1			3.3
RRs as % of total estimated population	31.3	10.5	2.4	34.2	74.4			-
RRs in each field as % of total RRs	41.4	10.5	10.4	15.9	21.8			100
Number of camps	10	12	10	19	8			59
RRs in camps (RRCs)	264 322	195 692	104 011	142 780	410 762			1 117 567
RRCs as % of RRs	18.7	54.5	29.2	26.3	55.1			32.7
Education								
Schools	198	73	110	100	162			643
Education staff	4 821	1 351	1 857	1 794	3 897	46		13 766
Pupils*	145 633	37 969	63 979	47 915	140 673			436 169
Female pupils (%)	49.2	50.7	48.6	56.0	48.5			49.8
Cost per elementary pupil (US$)*	295	417	140	369	258			278
Cost per preparatory pupil (US$)*	349	549	206	503	489			396
Vocational training centres	2	1	1	3	1			8
Vocational training places*	1 224	608	788	1 302	744			4 666
Educational Sciences Faculty training places:*								
Pre-service	300	-	-	600	-			900
In-service	630	-	-	-	-			630
In-service teacher training*	96	79	61	67	171			474
University scholarships*	289	111	261	161	266			1 088
Health								
Health units	23	25	22	34	17			121
Offering dental services	17	17	12	20	14			80
Offering family planning	23	25	22	34	17			121
Offering special care	17	24	22	34	13			110
Offering specialist services	13	15	13	17	13			71
With laboratories	21	15	18	21	13			88
Annual patient visits (1996)	1 673 194	753 614	841 740	1 011 316	2 894 943			7 174 807
Health staff	833	531	445	665	916	22		3 412

	Jordan	Lebanon	Syrian Arab Republic	West Bank	Gaza Strip	Headquarters		Total/ average
						Amman	Gaza	
Camp shelters connected to water networks (%)	100	95	100	99	100			98.8
Camp shelters connected to sewerage networks (%)	75	71	87	69	35			67.4
Relief and social services								
Special hardship cases (SHCs)	35 427	36 511	22 327	28 684	62 310			185 259
SHCs as % of RRs	2.5	10.2	6.3	5.3	8.4			5.4
Women's programme centres	21	11	15	14	10			71
Youth activities centres	-	-	-	17	8			25
Community rehabilitation centres	9	1	5	9	6			30
Relief and social services staff	118	93	76	121	209	21		638
Poverty alleviation programme projects	36	57	40	3	7			143
Income-generation programme[c]								
Loans awarded	146	135	-	164	6 916			7 361
Value of loans awarded (US$)	969 651	766 150	-	2 257 307	13 788 800			17 781 908
Peace Implementation Programme[d]								
Projects funded	78	49	36	44	103			310
Pledges and contributions (millions of US$)	11.6	19.5	8.3	44.8	135.3			219.5
1997 General Fund budget[e]								
Education	49.1	17.2	13.6	24.8	45.1	2.6	14.7	167.1
Health	11.6	8.7	5.2	13.6	17.0	1.6	3.6	61.3
Relief and social services	6.3	7.1	4.1	6.5	12.6	0.8	0.6	38.0
Operational services	3.5	3.1	2.5	5.2	6.3	3.3	1.3	25.2
Common services	3.3	3.0	2.0	4.9	4.6	3.3	26.4	47.5
Total	73.8	39.2	27.3	55.1	85.6	11.5	46.6	351.8[b]
Staff								
Area posts	6 127	2 481	2 778	3 260	5 493	225	142	20 506
International posts	6	9	9	17	18	27	61	147

[a] Over 1996/97 academic year.

[b] Total includes additional $12.7 million provision towards termination indemnities payable to staff upon the eventual dissolution of the Agency.

[c] Totals since programme inception in 1991.

[d] Totals since programme inception in 1993.

[e] Cash and in kind, millions of United States dollars.

ANNEX II

Pertinent records of the General Assembly and other United Nations bodies

1. General Assembly resolutions

Resolution number	Date of adoption	Resolution number	Date of adoption
194 (III)	11 December 1948	2964 (XXVII)	13 December 1972
212 (III)	19 November 1948	3089 A to E (XXVIII)	7 December 1972
302 (IV)	8 December 1949	3090 (XXVIII)	7 December 1973
393 (V)	2 December 1950	3330 (XXIX)	17 December 1974
513 (VI)	26 January 1952	3331 (XXIX) A to D	17 December 1974
614 (VII)	6 November 1952	3419 (XXX) A to D	8 December 1975
720 (VIII)	27 November 1953	31/15 A to E	23 November 1976
818 (IX)	4 December 1954	32/90 A to F	13 December 1977
916 (X)	3 December 1955	33/112 A to F	18 December 1978
1018 (XI)	28 February 1957	34/52 A to F	23 November 1979
1191 (XII)	12 December 1957	35/13 A to F	3 November 1980
1315 (XIII)	12 December 1958	36/146 A to H	16 December 1981
1456 (XIV)	9 December 1959	37/120 A to K	16 December 1982
1604 (XV)	21 April 1961	38/83 A to K	15 December 1983
1725 (XVI)	20 December 1961	39/99 A to K	14 December 1984
856 (XVII)	20 December 1962	40/165 A to K	16 December 1985
1912 (XVIII)	3 December 1963	41/69 A to K	3 December 1986
2002 (XIX)	10 February 1965	42/69 A to K	2 December 1987
2052 (XX)	15 December 1965	43/57 A to J	6 December 1988
2154 (XXI)	17 November 1966	44/47 A to K	8 December 1989
2252 (ES-V)	4 July 1967	45/73 A to K	11 December 1990
2341 (XXII) A and B	19 December 1967	46/46 A to K	9 December 1991
2452 (XXIII) A to C	19 December 1968	47/69 A to K	14 December 1992
2535 (XXIV) A to C	10 December 1969	48/40 A to J	10 December 1993
2656 (XXV)	7 December 1970	49/21 B	2 December 1994
2672 (XXV) A to D	8 December 1970	49/35 A to G	9 December 1994
2728 (XXV)	15 December 1970	49/21 O	21 April 1995
2791 (XXVI)	6 December 1971	50/28 A to G	6 December 1995
2792 A to E (XXVI)	6 December 1971	51/124 to 51/130	13 December 1996
2963 A to E (XXVII)	13 December 1972		

2. General Assembly decisions

Decision number	Date of adoption
36/462	16 March 1982
48/417	10 December 1993

3. Reports of the Commissioner-General of UNRWA

1993: Official Records of the General Assembly, Forty-eighth Session, Supplement No. 13 and addendum (A/48/13 and Add.1)

1994: Ibid., Forty-ninth Session, Supplement No. 13 (A/49/13)

1995: Ibid., Fiftieth Session, Supplement No. 13 and addendum (A/50/13 and Add.1)

1996: Ibid., Fifty-first Session, Supplement No. 13 (A/51/13)

4. Financial reports and audited financial statements (biennial)

1994: Official Records of the General Assembly, Forty-ninth Session, Supplement No. 5C (A/49/5/Add.3)

1996: Ibid., Fifty-first Session, Supplement No. 5C (A/51/5/Add.3)

5. Reports of the United Nations Conciliation Commission for Palestine

1993: A/48/474

1994: A/49/509

1995: A/50/500

1996: A/51/439

6. Reports of the Working Group on the Financing of UNRWA

1993: A/48/554

1994: A/49/570

1995: A/50/491

1996: A/51/509

7. Reports of the Secretary-General

1993: Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 47/69 D to K of 14 December 1992, respectively:

A/48/372 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/48/373 (Palestine refugees in the Palestinian territory occupied by Israel since 1967).

A/48/374 (Resumption of ration distribution to Palestine refugees).

A/48/375 (Return of population and refugees displaced since 1967).

A/48/275 (Revenues derived from Palestine refugees' properties).

A/48/376 (Protection of Palestine refugees).

A/48/431 (University of Jerusalem "Al-Quds" for Palestine refugees).

A/48/377 (Protection of Palestinian students and educational institutions and safeguarding of the security of the facilities of the United Nations Relief and Works Agency for Palestine Refugees in the Near East in the occupied Palestinian territory).

1994: Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 48/40 D to J of 10 December 1993, respectively:

A/49/439 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/49/440 (Palestine refugees in the Palestinian territory occupied by Israel since 1967).

A/49/441 (Return of population and refugees displaced since 1967).

A/49/488 (Revenues derived from Palestine refugees' properties).

A/49/442 (Protection of Palestine refugees).

A/49/505 (University of Jerusalem "Al-Quds" for Palestine refugees).

A/49/443 (Protection of Palestinian students and educational institutions and safeguarding of the security of the facilities of the United Nations Relief and Works Agency for Palestine Refugees in the Near East in the occupied Palestinian territories).

1995: Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 49/21 B of 2 December 1994 and 49/21 O of 13 April 1995, respectively:

A/49/885 (Financing of the Palestinian Police Force).

A/50/763 (Financing of the Palestinian Police Force).

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 49/35 C, D, F and G of 9 December 1994, respectively:

A/50/451 (Persons displaced as a result of the June 1967 and subsequent hostilities).

A/50/450 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/50/428 (Revenues derived from Palestine refugees' properties).

A/50/531 (University of Jerusalem "Al-Quds" for Palestine refugees).

1996: Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 50/28 C, D, F and G of 6 December 1995, respectively:

A/51/369 (Persons displaced as a result of the June 1967 and subsequent hostilities).

A/51/370 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees).

A/51/371 (Revenues derived from Palestine refugees' properties).

A/51/476 (University of Jerusalem "Al-Quds" for Palestine refugees).

8. Notes by the Secretary-General

1996: A/51/495 (Note by the Secretary-General and annexed special report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East on the financial crisis of the Agency).